

CIA Agent In Germany Might Have Spied on Iran

**Intelligence Officials
Deny U.S. Targeted
German Technology**

By Walter Pincus
Washington Post Service

WASHINGTON — The CIA officer who was ordered out of Germany recently was working on gathering information there about a third country, probably Iran, according to American intelligence sources.

Germany expelled the officer to emphasize a new demand that it be kept informed of Central Intelligence Agency operations inside its borders, the sources said, and not because of anger that the United States was covertly gathering economic intelligence about Germany, as initial German reports had suggested.

"This was a shot across the bow" by the German government, an intelligence specialist said Monday.

The initial report Saturday by the German magazine Der Spiegel said the CIA officer, who was working under diplomatic cover, was expelled for trying to gather economic data relating to high-technology projects.

But a U.S. government source said the target was not the German government "but a third country." The source would not identify the target, but other intelligence sources said the CIA has actively used Germany, and particularly now-closed facilities in Frankfurt and Hamburg, to carry out activities against Iran and Libya over the years.

The German government has been asking in recent years to be kept informed of intelligence operations carried out within its borders, a desire for what the intelligence community terms "greater transparency."

"Germany has come of age," a senior State Department official said. "And is saying as far as intelligence is concerned, 'This is our country and whatever was done in the past must change.'"

"This event is not going to spoil relations between German Chancellor Helmut Kohl and the Clinton admin-

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SHEEP-LIKE LEGISLATORS — Green Party members of the European Parliament keeping identical straight faces Tuesday in Strasbourg as the commissioner for research, Edith Cresson, called for ethics panels in each member state to monitor cloning-related issues following the duplication of an adult mammal.

Zaire Braces for Fall of Kisangani and Mobutu

An Assault on the Political Class

By Howard W. French
New York Times Service

KINSHASA, Zaire — Almost every day, a few score members of Zaire's transitional assembly show up at the Chinese-built House of the People, a Parliament building as monumental as its name is far-fetched.

The discussions inside are animated, but are as likely to be about soccer, private business deals or girlfriends as about affairs of state. Never mind that Zaire's government is being humiliated in a war against rebel forces in the east; it has been months since the assembly has produced any new laws.

Things have not always been so. Zaire's 784-member Parliament was born of a political crisis in 1990, and the legislators responded decisively, managing to strip Zaire's dictator, Marshal Mobutu Sese Seko, of much of his power.

What it did not do is get down to governing Zaire. Instead, a combination of corruption, back-room maneuvering and inexperience with democracy have

made this country's bloated assembly, like most of its institutions, almost completely irrelevant to the life of a nation in collapse.

If most people see Zaire's five-month armed rebellion, led by Laurent Kabila, as an attack on the decrepit power of the cancer-stricken Marshal Mobutu, it is no less an assault on an entire political class.

In seven years of sporadic effort, political insiders and the opposition alike have shown themselves incapable of fashioning a workable future for Zaire.

With the failure of politics, many have warmed to the idea of a transformation by the gun. Although they can only guess what the rebels might offer Zaire, fresh recruits and hordes of jubilant citizens are rallying to their cause as the insurgency gallops through the countryside.

"For seven years this government has been unable to do anything for its people, and has been absolutely powerless to slow this rebellion," a Western diplomat said. "You wonder if the way things are going isn't for the better."

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In Kinshasa, a Sense of Resignation

By James Rupert
Washington Post Service

KINSHASA, Zaire — As rebels prepare to assault the northeastern city of Kisangani, Zairians and foreign diplomats say military and political power is continuing to slip away from the government of Marshal Mobutu Sese Seko.

Among foreign and Zairian analysts here, the question of whether Kisangani will fall is no longer much discussed. The focus now is on what will happen to this massive, fractious country when it does.

Several analysts said families of senior political and military figures were leaving Kinshasa, the capital, anticipating that the fall of Kisangani would suddenly end Marshal Mobutu's 31-year reign. Newspapers speculate about whether the loss of Kisangani would trigger a military coup against Marshal Mobutu, who is at his villa in southern Kinshasa recuperating from treatment for cancer.

In addition, according to some in Kinshasa, there are whispers that perhaps the era of Marshal Mobutu — who gave Zaire its name and whose corrupt, re-

NATO and Moscow Nearing Agreement Russia Would Get Membership In G-7 as Part of Eventual Deal

By William Drozdiak
Washington Post Service

BERLIN — After three rounds of talks, Russia and NATO have achieved sufficient progress toward a new strategic partnership so that an agreement could be ready for signing by President Boris Yeltsin and the alliance's 16 heads of state at a special summit meeting in May or June, senior NATO diplomats said.

In a key concession, Russia now seems ready to drop its insistence on a legally binding treaty that would need to be ratified by all parliaments, and has signaled a willingness to accept NATO's preference for a political document endorsed by government leaders, the diplomats said. In return, the dip-

lomats said. Western leaders now seem prepared to offer Russia full membership in the Group of Seven leading industrial nations.

The new flexibility was evident in the latest discussions on a NATO-Russia pact that were held Sunday night in Moscow by Foreign Minister Yevgeny Primakov and the NATO secretary-general, Javier Solana Madariaga. Mr. Primakov may elaborate further on Moscow's new thinking when he visits Washington later this week to plan the U.S.-Russia talks scheduled for Helsinki next week.

Western officials close to the talks said Russia had not muted its hostility toward the North Atlantic Treaty Organization's planned embrace of new democracies in Central Europe, but now seemed closer than ever to ceding a deal that would imply acquiescence in the granting of NATO membership to countries such as Poland, Hungary and the Czech Republic.

NATO leaders have declared their intention to issue invitations to new members at a summit conference in Madrid on July 8-9. Russia is now hinting it wants a separate ceremony marking the conclusion of its own agreement with NATO ahead of the Madrid meeting, preferably when leaders of Western industrial democracies gather for their annual G-7 summit conference in Denver in late June.

Mr. Yeltsin has expressed a strong desire for Russia to become the eighth member of the exclusive club, joining the United States, Japan, Germany, Italy, France, Britain and Canada. While its anemic economy does not qualify Russia as a leading industrial democracy, Chancellor Helmut Kohl of Germany and other European leaders say that acceptance of Russia as a full-fledged G-7 member is a small price to pay if Moscow abandons its opposition to NATO enlargement.

The acceptance of Russia as a full member would formalize what already is a de facto G-8. Mr. Yeltsin has been attending the final day of G-7 meetings to participate in economic sessions but now will be included in political discussions as well.

Another possibility, NATO officials

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For a Few Rich Russians, a Dark Side

By Alessandra Stanley
New York Times Service

MOSCOW — In the elegant Estee Lauder Beauty Center on the sumptuous grounds of the Moscow Country Club, wealthy women fill empty lives with facials, massage and the kindness of beauticians.

"To be honest, I am very lonely," Elvira Averyanova confided in a whisper. "I am someone who needs human contact. I try to go to places where I am known, and I am greeted warmly."

She cited the beauty center, her hairdressing salon and an upscale shopping mall as her havens from solitude.

Mrs. Averyanova, a trained pianist who gave up working and whose husband, a successful CD manufacturer, never stops, was describing a darker side of life among Russia's new rich. Like many wives of successful businessmen, she is finding that money and privilege are shadowed by isolation, anxiety and boredom.

A new phenomenon in post-Soviet society, such women represent less

Women Discover Depression Amid All Their Wealth

than 1 percent of the population. The vast majority have little choice but to work; millions are locked in dead-end jobs and have not been paid in months. There is little sympathy for the laments of ladies of leisure.

Russia remains a highly sexist society, where women, regardless of marital or professional status, are rarely allowed a prominent public role. Despite, or perhaps because of, 70 years of Soviet lip service to female equality, women distrust feminism. The few who can afford the luxury of not working often find that option irresistible — particularly when their husbands insist.

But many who happily quit their jobs quickly discovered that it was not the liberation they expected. The stay-at-home wife has become an important status symbol for the new rich, but the

prestige falls on the husbands far more than the wives.

Psychologists, psychiatrists and massage therapists have built flourishing practices ministering to such women. Sergei Agrachev, a leading psychologist, charges \$60 an hour to guide wealthy patients, most of them women, through depression and the anxiety that often follows sudden wealth.

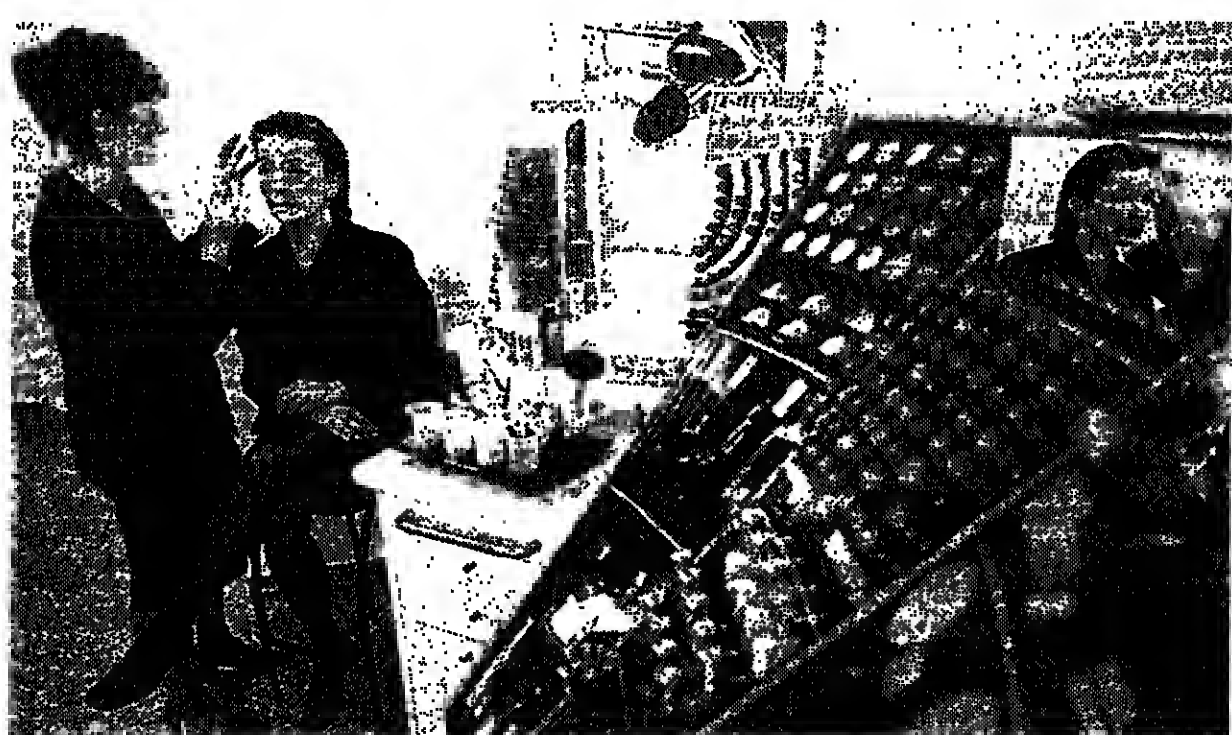
Russians have their own special psychoses to work through, he said. Issues of disillusionment that are unique to post-Communist society.

"For 70 years," he said, "we idealized the West. Now we discover that wealth really doesn't buy happiness."

"Intelligent women who used to work in institutes and universities find themselves alone at home, entirely dependent on their husbands. They find out that in this brave new world, their role has regressed to the 19th century."

He is not licensed to prescribe drugs, but he said many of his patients disregarded his advice, overindulging in

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Elvira Averyanova at one of her sanctuaries: "I go to places where I am known, and I am greeted warmly."

White House and FBI Spar on China Briefing

Clinton Says It Was Secret; Agency Differs

By Peter Baker
Washington Post Service

WASHINGTON — In a rare public confrontation, the White House and the FBI have offered sharply conflicting versions of their contacts with each other concerning evidence of an alleged Chinese plan to influence U.S. congressional elections last year.

President Bill Clinton said in a news conference Monday that he had only recently found out about the alleged involvement of a foreign power in the elections because FBI agents who briefed National Security Council staff members at the White House last summer "for whatever reasons, asked that they not share the briefing, and they honored the request."

Mr. Clinton complained that "the president should know" about such matters.

Within hours, however, the FBI issued a statement saying that it had "placed no restriction whatsoever on the dissemination up the chain of command at the NSC on any information provided to the NSC senior staff."

The White House refused to back down, countering with its own assertion that the FBI was wrong. The White House spokesman, Michael McCurry, told reporters that the bureau statement was "in error."

[Mr. McCurry maintained that position Tuesday, saying again

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AGENDA

Sweden to Probe Its Nazi Dealings

NEW YORK (Reuters) — Sweden has agreed to launch a full-scale investigation into its wartime dealings with the Nazis, the World Jewish Congress said Tuesday.

The executive director of the organization, Elan Steinberg, said Sweden had promised a comprehensive examination of its handling of bank accounts of victims of the Holocaust and its trade with the Nazis.

Sweden was neutral during the war, but its relationship with Hitler has come under scrutiny as part of a probe into Swiss dealings with the Nazis.

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The IHT on-line <http://www.ihon.com>



CHINESE CHIC — Galliano went Oriental in his first ready-to-wear collection for Dior. Page 12.

Japan's Biggest Bank: The Local Post Office

Rural Residents Won't Want It to Change

By Sandra Sugawara
Washington Post Service

HORI, Japan — When Satoko Masuda, 62 and a widow, needs some cash, she does not go to the bank. She rings up Kazuaki Iemoto, the postmaster of this small farming village.

Early the next morning, "before I am even out of bed, he stops by to pick up my passbook," Mrs. Masuda says. "Later that day, he returns with the money."

The postmaster's efforts do not go unrewarded. Mrs. Masuda is so grateful that she puts almost all of her savings, not in a bank, but in the post office's own savings system.

She is not alone. Tens of millions of Japanese maintain accounts at the post office, making it the largest financial institution in the country. At the end of 1996, money on deposit there totaled a stunning \$1.8 trillion, more than four times as much as the country's biggest commercial bank.

As Japan tries to fix a banking system that has been pummeled by recession and risky lending, it is grappling with a basic issue: Should a government agency be sucking up more than one-third of the country's total personal savings and funneling it to government-backed loan and development programs? Or should market forces be determining where that money goes?

In many other industries, officials are asking similar questions as they seek to retool a paternalistic economic system that

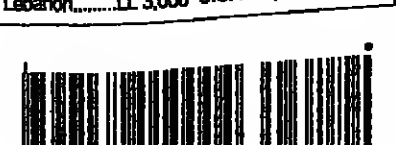
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The Dollar			
	Tuesday @ 4 P.M.	previous close	
D.M.	1.7038	1.7015	
Pound	1.6077	1.6037	
Yen	121.785	121.83	
FF	5.7435	5.741	

The Dow			
	Tuesday close	previous close	
+5.77	7085.16	7079.39	

S&P 500			
	Tuesday @ 4 P.M.	previous close	
change	811.23	813.05	

Newsstand Prices			
Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameron	1.600 CFA	Réunion	12.50 FF
Egypt	EE 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1.100 CFA
Gabon	1.100 CFA	Spain	225 PTAS
Italy	2.800 Lire	Tunisia	1.250 Din
Ivory Coast	1.250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	\$1.20
Lebanon	11.3000		



Emerging Albania / After Isolation, Chaos

A Bitter Taste of Capitalism

By Christine Spolar
Washington Post Service

VLORE, Albania — Wounded, sedated and stretched out on a hospital bed, Agim Hazizi roused himself to fever pitch when asked to describe the financial crisis that has spun this country into anarchy. "I've worked 32 years," the bus driver shouted. "I don't have a house. I don't have a cent to buy bread."

"I have only my head," he added, pushing himself up from a sweat-soaked bed in a dingy room at the hospital here. "Let them take my head."

After 45 years in the shackles of a repressive Communist dictatorship, in isolation from the rest of the world, Albanians had little notion of how capitalism worked when communism fell in 1991.

At least one-quarter of the population sank their life savings into get-rich-quick investment funds that were essentially pyramid schemes, and seven weeks after they began collapsing one after another, thousands of investors like Mr. Hazizi are screaming. "Where's my money!"

Their fury over the government's failure to warn or protect them has escalated from mass demonstrations into a deadly revolt. Now a fast-paced, all-out armed rebellion, fueled more by avarice and revenge than ideals, is burning through the southern half of Europe's poorest country.

Last week, protesters who were once ignored by the government took to the military and began raiding warehouses and weapons depots. Bands of undisciplined thugs have taken over cities throughout southern Albania, where President Sali Berisha's support is weakest and the financial losses have been greatest.

That the collapse of pyramid schemes could shake any place so deeply can be understood only by taking into

account the desperate and corrupt nature of life in Albania — and by peeking into the pocketbooks of people like Mr. Hazizi, who was shot in a recent gun battle between rebels and government security forces.

Six years after the Communist regime fell, people here survive on \$40 to \$60 a month. Those who have had the most success in these hell-for-leather years of change are the ones who have operated outside the law, smuggling drugs, people or guns through Adriatic ports such as Vlore.

But the same chaotic conditions that enabled Albania's emerging criminal element to flourish also ensured the downfall of honest working people. Strangers to capitalism, with no experience in investment or securities, they leaped at the impossibly high profits promised by the pyramid schemes. Such plays make big payouts as long as a pool of new investors pays up to keep them solvent; when the pool dries up the mirage collapses.

Mr. Hazizi, who has seven people to care for, tested the odds. He sold his home for \$25,000 and promptly plowed all the money into three funds. Within weeks, the funds went belly up. Mr. Hazizi joined the street protests and ended up shot. "All I want to do is feed my children," he said.

ALTHOUGH President Berisha's government has tried to defuse the uprising — first by cracking down with a state-of-emergency declaration last week, then by offering to halt military operations and grant amnesty to rebels who turn in their weapons — the renegades say they will not give up. They blame Mr. Berisha for the scandal and have demanded his resignation.

In an effort to form what he called a "government of reconciliation," Mr. Berisha offered Sunday to hold new elections. The parliamentary voting last May was riddled with fraud and gave his Democratic Party a virtual monoo-



Rebels parading through Permet after seizing it from the government. Five civilians were killed in the brief fighting for the town, one of several in the south that have fallen in the last week.

poly oo power. But rebels here see his offer as a stalling tactic, and the rebels march on.

The insurgents drove security forces from Vlore on Feb. 28. Nearby Sarande and Delvine went to the rebels soon afterward. Then rebels overran Gjirokastra, near the border with Greece, on Saturday, and Sunday night the government lost control of the towns of Permet and Berat. On Monday, the city of Fier, crisscrossed with secret police last week, appeared to be breaking away from government control.

The upheaval has revived some old divisions between north and south. The regions are ethnically divided — Ghegs predominate in the north, Tosks and Greeks in the south — but their rivalry is now primarily political.

EVER Hoxha, the isolationist dictator who ruled Albania from 1945 to 1985, was from the south, and the region remains a stronghold of the Socialist Party, successors to Mr. Hoxha's Communists. Mr. Berisha, who grew up in the mountainous far north, came to power in 1992 and has surrounded himself with northerners — in particular, bodyguards and secret police.

But the north-south divide appears to have little to do with why the south is in flames while the north remains relatively calm. Rather, capitalism — in its legal and illegal forms — had yielded relatively more in the south, giving southerners more money to invest, and lose, in the pyramid schemes.

Mr. Berisha and the political opposition have held several rounds of talks aimed at ending the crisis, but the political debate in the capital has no echo here in Vlore.

One has only to look around the homes of people like Katerina Dhimjoka, a schoolteacher, to see why they want a change in government.

Miss Dhimjoka played the pyramid scam for four years and used the 25 percent return on her investments to retille her floor, fill her apartment with furniture, buy such Western luxuries as a coffee grinder and a Cuisinart and trade in her black-and-white television for a color model. But when the pyramids collapsed, she lost money. She will not accept any government, she said, that won't pay her back.

"We still want the government to go, but we will keep the same demands for the new government," she said. "I don't care about the elections. I don't care who governs. I want peace and a better life and more money."

Albania Gets New Prime Minister as Revolt Spreads to North

Compiled by Our Staff From Dispatches

TIRANA, Albania — President Sali Berisha appointed a new prime minister on Tuesday as armed unrest continued in the south of the country and began spreading north.

Bashkim Fino, an economist from the southern town of Gjirokastra and a member of the main opposition Socialist Party, replaced Alexander Meksi, a member of the governing Democratic Party, who resigned last month as the unrest erupted.

Mr. Berisha, his Democratic Party and nine opposition parties signed an accord over the weekend to establish a national unity government and hold elections by June in an attempt to find a political solution to the insurrection.

Political parties in Tirana agreed Monday to split cabinet posts evenly between the

Democratic Party and the opposition. But the two sides have been deadlocked on who is to get the key portfolios, political sources said.

Meanwhile, the anti-government revolt spread from the south for the first time Tuesday, with residents of a major town north of Tirana saying insurgents there had raided a military base and carted away weapons and ammunition.

Sources contacted by telephone from the capital said about 9,000 people were involved in the raid in Bajram Curri, but there was no independent confirmation of this.

"We are ready to stand by the president if he needs us," said one of the residents of Bajram Curri, which lies about 20 kilometers (12 miles) from the Serbian border.

This source said one person was slightly

injured in a powerful blast of dynamite in another weapons depot in town.

The incident was reported as the insurrection in the south gained ground, with rebels capturing several additional towns and sticking to their demand that Mr. Berisha step down.

With the north generally assumed to be loyal to Mr. Berisha, the reported raid there further burdened his attempts to defuse the armed revolt.

Parliament was to pass an amnesty to try to quell the rebellion, which was set off by public rage over high-risk investment schemes in which nearly every Albanian family lost money.

In the extreme south of the country, security worsened.

At Kakavia, on the Greek border, armed

insurgents shot and killed an Albanian after he crossed into the country Tuesday. Witnesses said the victim was asked for money and was killed after an argument.

The border station was looted after being abandoned by its guards. Shepherds in the area were carrying guns to protect their flocks from being stolen.

Overnight, looters cleaned out a state-owned hotel in the city of Saranda, 280 kilometers south of Tirana. The ports of Saranda and Vlore, both in the bands of insurgents, were declared closed Tuesday until further notice, state media reported.

The police recovered a van Monday full of weapons stolen from army garrisons in Fier, 113 kilometers south of the capital, but protesters made off with many more, a local reporter said.

(Reuters, AP, AFP)

For Netanyahu, Hard Step — For Arafat, Sense of Betrayal

Confrontation Over Israeli Pullback Puts Peace Talks on Hold and Aggravates Prime Minister's Woes

By Serge Schmemmann
New York Times Service

JERUSALEM — The Palestinians' unexpected refusal to accept Israel's decision to withdraw from an additional 9.1 percent of the West Bank has thrown the Middle East negotiating process into new crisis, in effect freezing contacts between the two sides only a week before scheduled talks on a final settlement.

The confrontation added yet another problem to the political woes of Prime Minister Benjamin Netanyahu, who went to Moscow on Monday for a two-day trip to Russia.

The Palestinian leader Yasser Arafat ordered the Palestinian Authority to suspend all contacts with Israel, a Palestinian official said Tuesday, effectively putting the peace process on hold. Israel and the Palestinians are to begin talks on a final peace accord Monday, but it appears unlikely they will start on time.

The planned withdrawal, which Israel intended to complete this week, is stalled. Officials said it was not possible to withdraw without coordinating the action with the Palestinians because more than 50 villages and 200,000 people were involved.

Israeli television reported that Mr. Arafat refused two telephone calls Monday from Mr. Netanyahu. The Palestinian was apparently stung by what he considered the prime minister's failure to reward him for restraining protests over Israel's decision to proceed with a new Jewish neighborhood in East Jerusalem.

On the domestic front, Mr. Netan-

anyahu left with a rebellion by rightists in Parliament temporarily defused. Four of the eight legislators from his coalition who had threatened to vote against him on an opposition motion of no-confidence announced after meeting with him that they would not do so.

But a new challenge loomed. Members of Mr. Netanyahu's Likud bloc and

NEWS ANALYSIS

the opposition Labor Party called for lowering to 61 from 80 the number of votes required in the 120-member Knesset to dismiss the prime minister without dissolving the legislature.

Mr. Netanyahu was said to view this as a serious threat because many of the rightists disillusioned with him might be willing to vote him out if they could keep their parliamentary seats.

Speculation grew that Mr. Netanyahu might try to form a coalition government with former Prime Minister Shimon Peres. But the Labor Party leader insisted that until the police concluded an investigation into allegations of influence-peddling in government, "there is absolutely nothing to talk about."

On the Palestinian side, analysts said Mr. Arafat's public rage over the withdrawal decision reflected what he viewed as Mr. Netanyahu's violation of trust.

The analysts said Mr. Arafat had worked to prevent a Palestinian explosion after the Israeli announced plans to build the Jewish neighborhood in East Jerusalem, expecting in exchange to gain a decent piece of territory in the

ensuing withdrawal. The Palestinian then traveled to the United States, where he received a warm welcome.

But immediately on his return home, basking in the sense that he was being treated as an equal partner, the blows fell. The United States vetoed a UN Security Council resolution condemning the planned construction. The Palestinian Authority was served with an order to close four offices in East Jerusalem. Then the Israeli cabinet announced the decision on the further withdrawal.

For Mr. Netanyahu, the decision to withdraw from another 9.1 percent of the West Bank represented a bitter victory over hard-liners in his cabinet, which approved it by only 10 to 7. But for Mr. Arafat, the hard fact was that most of that land, amounting to 7 percent of the West Bank, was already under Palestinian civil authority and was now being transferred to full Palestinian control.

The Palestinians had publicly insisted that the transfer should amount to 30 percent of the West Bank areas under Israeli control and privately said they expected at least 10 percent.

After angrily delivering Mr. Arafat's rejection Sunday to Foreign Minister David Levy, the chief Palestinian negotiator, Mahmoud Abbas, tendered his own resignation in protest against Israel, but Mr. Arafat declined it.

Though Mr. Arafat's authority among the Palestinians was not in question, he was not likely to back down quickly, at least not while President Hosni Mubarak of Egypt was on an official visit to Washington and the UN



Mr. Netanyahu in Moscow, where President Boris Yeltsin said Tuesday that he expected relations between their countries to expand significantly.

General Assembly was denouncing Israel for its East Jerusalem project.

For the moment, Mr. Netanyahu put off the start of the construction, as well as any action to enforce the order to close the Palestinian offices in Jerusalem. But the rebellious mood among his rightist supporters suggested that he would not be able to delay the actions too long. For the same reason, the consensus among Israeli commentators was

that it would be politically impossible for him to increase the land to be turned over to the Palestinians.

The travails of the two leaders created the impression of two figures steadily forced apart by separate politics and mutual distrust. Mr. Netanyahu's aides say his fundamental problem since coming to office has been in trying to carry out a peace agreement he disagreed with but could not change.

Using Legos, Inventor, 17, Wins \$40,000

New York Times Service

NEW YORK — A senior at Hunter College High School in New York City who fashioned Lego, modeling clay and a pile of electronic circuits into a sophisticated microscope suspended from his bedroom ceiling by bungee cords has won the top prize in the Westinghouse Science Talent Search, the nation's preeminent competition for budding researchers and inventors.

Adam Ezra Cohen, 17, of Manhattan, won a \$40,000 college scholarship for building his microscope and then turning it into an "electrochemical paintbrush" capable of printing exquisitely small characters — small enough, he says, to fit 50 words within the width of a human hair. Mr. Cohen said Monday that he believed the technique could someday be used to change the way intricate patterns are imprinted on computer chips.

The 56th annual Westinghouse competition is a monthlong national science fair that has begun the careers of five Nobel laureates.

Mr. Cohen had previously created a computer hard drive and a device that allows a computer operator to move a cursor across the screen with only his eyes. His microscope is suspended from the ceiling to avoid vibrations.

TRAVEL UPDATE

Air France Pilots Call for Strike

PARIS (AFP) — Three unions representing Air France pilots called Tuesday for strike action at the end of this month in a protest over salary policies.

Two unions, SPAC and Suamac, called for a strike from March 23-26, while a third, the SNPL, urged action from March 27-30, although it did not rule out starting its action earlier. The protest is over the implementation scheduled for April of a two-level salary structure for pilots that the airline is planning to hire over the next three years.

Pollution Slows Down Paris Drivers

PARIS (Reuters) — The police decreed stricter speed limits in the Paris area Tuesday in an effort to counter high pollution levels as drivers faced traffic jams because of a demonstration by Renault auto workers.

After air pollution reached high levels Monday, chiefly

because of car exhaust fumes and the lack of wind, the authorities lowered the limit from 80 kilometers per hour (50 miles per hour) to 60 kilometers per hour on the capital's ring road, and from 70 kilometers per hour to 50 kilometers per hour on express riverbank roads through the city.

Mayor Jean Tiberi said parking for residents would be free Tuesday to encourage locals to use buses and underground transport until pollution levels returned to normal.

Passengers on Sabena's three weekly flights from Brussels to Johannesburg will be able to connect with flights to Cape Town, Durban and George after March 30 through an agreement with South Africa's Natioonwe Air. Port Elizabeth will be added to the list on Aug. 1.

A Eurostar passenger train traveling between Brussels and London hit a truck loaded with cows Tuesday morning, but there were no serious injuries either on the train or in the truck, according to the Belgian state railroad.

A four-hour strike by Italian air controllers Tuesday over plans to restructure working conditions grounded many international flights from Italy, airport authorities said.

Weather forecasters lifted cyclone warnings along Australia's Queensland coast Tuesday as a storm hovering off the Great Barrier Reef began to weaken.

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WEATHER

Europe				Forecast for Thursday through Saturday, as provided by AccuWeather.				Asia			
City	Today	Tomorrow	High/Low	City	Today	Tomorrow	High/Low	City	Today	Tomorrow	High/Low
Amsterdam	59/68	64/72	64/72	London	59/68	64/72	64/72	Bangkok	84/92	88/96	88/96
Brussels	59/68	64/72	64/72	Madrid	59/68	64/72	64/72	Beijing	64/72	68/76	68/76
Frankfurt	59/68	64/72	64/72	Moscow	59/68	64/72	64/72	Calcutta	84/92	88/96	88/96
Geneva	59/68	64/72	64/72	New York	59/68	64/72	64/72	Chennai	84/92	88/96	88/96
Paris	59/68	64/72	64/72	San Francisco	59/68	64/72	64/72	Colombo	84/92	88/96	88/96
Rome	59/68	64/72	64/72	Seattle	59/68	64/72	64/72	Hong Kong	84/92	88/96	88/96
Toronto	59/68	64/72	64/72	Vancouver	59/68	64/72	64/72	Kuala Lumpur	84/92	88/96	88/96
Washington	59/68	64/72	64/72					Manila	84/92	88/96	88/96
								Osaka	84/92	88/96	88/96
								Seoul	84/92	88/96	88/96
								Singapore	84/92	88/96	88/96
								Taipei	84/92	88/96	88/96
								Tokyo	84/92	88/96	88/96
								Yokohama	84/92	88/96	88/96

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THE AMERICAS

China Asks U.S. to Stop News Reports Of Donations

By Steven Mufson
Washington Post Service

BEIJING — The Chinese Foreign Ministry has called in a top U.S. Embassy official to protest as "malicious fabrications" articles that have appeared in The Washington Post about alleged plans by Beijing to donate money to the Democratic Party or members of Congress.

A senior Foreign Ministry official asked the U.S. chargé d'affaires, William McCahill Jr., on Monday to put an end to the reports so they do not damage ties between the countries, the official Xinhua press agency reported.

The "Chinese side has never been involved in U.S. political affairs in any form," the agency quoted Mei Ping, director of the ministry's division of affairs for the Americas and Oceania, as telling Mr. McCahill.

China has been upset with other U.S. press reports, although it has not lodged diplomatic protests. It recently complained that The New York Times treated China as "a potential enemy." The official China Daily said last Thursday that The Times was "waging a verbal war on China." The Chinese newspaper said The Times's "constant diatribe is both tiresome and dangerous: tiresome because it goes on relentlessly, day after day; dangerous because it misleads readers and damages Sino-U.S. relations."

In the last week, electronic mail users have complained that China has again cut off public access to World Wide Web sites of several U.S. news organizations, including The Post and CNN, but not The Times or The Wall Street Journal. China for a time blocked access to those sites last year.

Mr. McCahill said in an interview Tuesday that the meeting with the Chinese lasted half an hour. "They conveyed their position on these allegations of campaign financing and denied that the Chinese government had in any way tried to influence electoral outcomes in the U.S.," he said.

The Post has printed articles saying that because of information obtained from intelligence eavesdropping, the Justice Department is investigating the possibility that the Chinese Embassy coordinated an effort to channel money to U.S. congressional candidates.

China apparently does want to improve its standing in Washington. People close to the Chinese government say it has considered hiring American lobbying and public relations firms to burnish its image and improve relations with Congress.

So far, however, China has been reluctant to spend the money lobbying companies demand. And the Foreign Ministry has been reluctant to let non-Chinese make representations about Chinese foreign policy, said an American who spoke to Chinese officials about such efforts.



President Clinton's approval rating dropped 5 points in the poll.

Public Dislikes Clinton Fund Drive

By Richard Morin
and Dan Balz
Washington Post Service

WASHINGTON — An overwhelming majority of Americans disapprove of President Bill Clinton's use of the White House to help raise funds for the 1996 election, according to a Washington Post-ABC News Poll.

While the president's overall standing remains strong, the poll found signs that the disclosures about fund-raising have begun to affect public attitudes toward his presidency.

Mr. Clinton's job approval rating fell from 60 percent in late January to 55 percent in the current poll. That was the first drop of that size after roughly two years of improvement in the president's standing.

Large majorities said it was wrong for Mr. Clinton to reward big campaign contributors with coffees and overnight stays at the White House and for Vice President Al Gore to make fund-raising calls from his White House office.

A majority of those surveyed believe that neither Mr. Clinton nor Mr. Gore broke any laws. In addition, the overwhelming majority believe that Republicans are as guilty as Democrats of questionable fund-raising practices.

Even though they did not believe the president or vice president violated the law, 6 in 10 surveyed said they favored the appointment of an independent counsel to investigate foreign campaign contributions to Mr. Clinton and the Democrats, rather than leaving it to the Justice Department. Attorney General Janet Reno has opposed appointing an independent counsel.

A total of 1,004 randomly selected adults were interviewed March 6-9 for the Post-ABC News survey. Margin of sampling error for the overall results is plus or minus 4 percentage points.

The survey suggests that, on most

measures, Mr. Clinton's performance seems to have slumped in recent weeks.

Still, 49 percent to 38 percent, Americans say they trust Mr. Clinton more than the Republicans in Congress to deal with the country's major problems. Despite softening reviews of his performance, 6 in 10 said they still liked Mr. Clinton. The survey found that nearly as many respondents have a favorable impression of Mr. Gore, and almost 6 in 10 said they believed he has the honesty and integrity to serve as president some day.

Slightly more than half — 53 percent — said Mr. Clinton has the honesty and

integrity to be president. Whatever their views toward Mr. Clinton and Mr. Gore, those surveyed were less generous toward Congress.

Six in 10 said they disapproved of the way Congress, which is controlled by Republicans, has been doing its job. And while a similar proportion think Mr. Clinton is trying to work with the Congress, little more than a third believe congressional Republicans are trying to work with the president.

The House speaker, Newt Gingrich, Republican of Georgia, remains highly unpopular, with only a third expressing approval for the job he is doing.

A Democrat Fights Back

Fund-Raising Inquiry Is Assailed as 'Hypocrisy'

By Dan Morgan
Washington Post Service

WASHINGTON — The top Democrat on a House of Representatives panel investigating fund-raising by President Bill Clinton's campaign has accused Republican leaders of "hypocrisy" and released what he called "the most explicit example" of Republicans using government property and facilities to sell access to high government officials.

Representative Henry Waxman of California, the senior Democrat on the House Government Reform and Oversight Committee, on Monday cited a 1995 appeal that offered Republican fund-raisers who brought in \$45,000 a special luncheon with Newt Gingrich, the speaker of the House, in the Great Hall of the Library of Congress.

Mr. Waxman's release of several Republican fund-raising documents showed how tensions were mounting in

the committee, where Republicans say they plan to focus their investigation on allegations of illegal fund-raising activities by Mr. Clinton's administration.

"This investigation is spending millions on a partisan witch hunt," Mr. Waxman said, adding that he wanted "a real investigation of Congress and the White House and let the chips fall where they may."

The Gingrich luncheon at the Library of Congress was one of the events held in connection with a \$1,500-a-plate Republican House-Senate dinner in 1995. The gala brought in \$517,400 for House and Senate candidates and \$4,739,015 in unregulated "soft money" for party-building activities.

One Republican fund-raiser who knew of the event scoffed at the notion that it was comparable to the small coffees at the White House. "Lunch with 250 people is not special access," the Republican operative said.

POLITICAL NOTES

Kentucky Senator to Retire

WASHINGTON — The assistant Senate minority leader, Wendell Ford of Kentucky, a crusty congressional insider whose causes have ranged from defending tobacco to promoting easier voter registration rules, has announced that he will seek a fifth term next year.

Mr. Ford, 72, is the second veteran Democratic senator to decide against running again, raising Republicans' hopes of expanding on gains they made in the last two elections. Senator John Glenn, an Ohio Democrat, announced last month that he will retire after four terms. Republicans, bold a 55-to-45 edge in the Senate.

Noting that the average cost of a Senate race has risen from less than \$450,000 to \$4.5 million since he was elected to the Senate in 1974, Mr. Ford said Monday that "the job of being a U.S. senator today has unfortunately become a job of raising money to be re-elected instead of a job of doing the people's business."

Gore's Prospects Not So Sure

WASHINGTON — Even if the fund-raising furor fades before the next campaign, it has already significantly complicated Vice President Al Gore's carefully planned trajectory to the White House and given

new hope to other Democrats who would like to be president.

From consultants to members of Congress to Mr. Gore's own advisers, several Democrats said in interviews that recent disclosures about the vice president's deep involvement in soliciting donors during last year's campaign, and his occasionally clumsy public efforts to defend his conduct, had clouded the aura of inevitability around his prospects for winning the presidential nomination in the year 2000.

One of the vice president's biggest practical advantages was that because of his links to a vast grassroots network of donors, he was in a position to scare off rivals by amassing large sums of money fast.

But now, Mr. Gore's advisers said, they would be reluctant to be too aggressive too early about fund-raising. Moreover, some donors themselves are said to be more skittish about the vice president.

Meanwhile, the dates of the Gore visit to China were confirmed — March 24 to 28. He will visit Japan on March 23 and 24 and Korea on March 28 and 29.

Mrs. Clinton and the Check

WASHINGTON — Offering her first extensive comments on her office's role in the White House fund-raising case, Hillary Rodham Clinton said Monday that her top aide, Margaret Williams, should not have accepted a \$50,000 campaign check at the White

House. Mrs. Clinton also said she had no explanation for the fact that the man who made the donation, Johnny Chung, a California businessman who is a central figure in federal investigations of campaign fund-raising, had been permitted to visit her office 21 times.

Asked whether Mrs. Williams should have suggested that Mr. Chung mail the donation directly to the Democratic National Committee, Mrs. Clinton said: "In retrospect, I'm sure she wishes that's what she'd done." But the first lady added: "She's an honorable and courteous person and what she did is legal and proper under the prevailing rules. But given the concern that it's raised, I'm sure she wishes she said, 'Go mail it or go walk it over yourself.'"

As for the frequent visits Mr. Chung paid to her office — records show he made at least 50 visits to the White House in President Bill Clinton's first term — Mrs. Clinton said members of her staff were probably too courteous to turn Mr. Chung away.

Quote/Unquote

Jim Beem, 58, who is retiring after 20 years as a guard at the U.S. Capitol building, telling visitors what they are prohibited from carrying into the House viewing gallery: "No cameras, calculators, hair spray, aerosol cans, flash attachments, radios, batteries, whistles, extra shoes. No food, binoculars, umbrellas, backpacks, beepers, mace, tear gas or cellular phones."

Prisons Trade In Chain Gangs' Shackles for the Zap of Stun Belts

By Peter T. Kilborn
New York Times Service

CENTREVILLE, Maryland — Starting next month, authorities in Queen Anne's County, on Maryland's Eastern Shore, will become the latest to introduce chain gangs — and perhaps the first to make them chainless.

Rather than shackling the ankles of inmates on outdoor

work crews, the county may buy devices called stun belts that would send convicts writhing into the dirt if they tried to flee or fight.

The stun belts, the latest device in the booming corrections industry, are starting to generate as much debate as the chain gangs.

Some jailers and local officials like the idea of the belts because they would save

money: fewer guards would be needed to keep an eye on prisoners wearing them. And, these officials contend, there is no long-term physical damage to a prisoner who is stunned.

But human rights advocates and even some corrections officials around the country oppose the belts, portraying them as the most degrading new measure in a

field that they regard as increasingly barbaric.

The belt comes with a battery and a receiver with electric prongs. From up to 300 feet (90 meters) away, an officer can press a button to detonate an eight-second burst of 50,000 volts of electricity and stun a fleeing inmate for up to 10 minutes. "It overrides the body's neuromuscular system," said

Dennis Kaufman, president of Stun Tech Inc. in Cleveland, which makes the belts.

"Normally, you can open and close your hand twice in one second. This device makes it contract 20 times in a second. It wears the muscles down."

Mr. Kaufman said he has sold 1,100 belts to law-enforcement agencies, including 200 to the U.S. Marshals Service and 100 to the Federal Bureau of Prisons. Currently, he said, they are used in transporting dangerous prisoners or in court, replacing shackles.

Amnesty International has appealed to Washington to ban the belts, in part because it says they can be used to torture. It calls them "cruel, inhuman and degrading."

But Mr. Kaufman said they strike such terror in prisoners that a belt has been fired to subdue a prisoner only 14 times in the 30,000 occasions one has been worn. He said

the belts cost \$600 to \$700 apiece and readily pay for themselves in reducing the number of officers needed to guard work crews.

Wisconsin plans to start using them soon. At Governor Tommy Thompson's behest, the state legislature last year ordered the adoption of chain gangs, joining Alabama, Arizona, Florida, Iowa and some county sheriffs' departments.

Bill Clausius, spokesman for the Department of Corrections, said that when the first Wisconsin gangs go out this spring, jailers will have the option of the belts or individual leg restraints.

It would be the first use of the belts for work-crew control, unless Queen Anne's County acts faster.

People in Centerville, a two-century-old town, an hour's drive across the Chesapeake Bay Bridge from Washington and Baltimore, say their interest in the stun

belts and in chains reflects their growing anger about rising crime in their town.

Rehabilitation does not work, say people in Centerville.

And prisoners have it too easy, they add. A convict gets free room, board, medical care and television, while they have to earn both their own keep and his. They want convicts, like welfare recipients, to work.

But they also want to stigmatize and shame the people who violate them.

"Give them public humiliation," said Deborah Steenken, a crew leader for a fast-food chain who was resting on a bench in the courthouse square. "They never think twice about committing a crime."

These attitudes trouble advocates of prisoner rights. "We claim to be a civilized society, and we return to these primitive methods of punish-

ing people," said Mark Kappelhoff, legislative counsel for the American Civil Liberties Union in Washington.

"We executed 54 people last year, and now we're dehumanizing them. It causes you to wonder what will satisfy this thirst for vengeance."

Most leading jailers have scruples about using restraints on work crews other than the customary officer armed with a shotgun. In a position statement, the 20,000-member American Correctional Association, made up of wardens and corrections officers, has called on Congress to oppose chain gangs.

The association says chaining and similar practices are "harsh and mean-spirited."

Such practices, it says, "result in a hardening of criminal offenders," raise costs of incarceration and threaten inmate health.

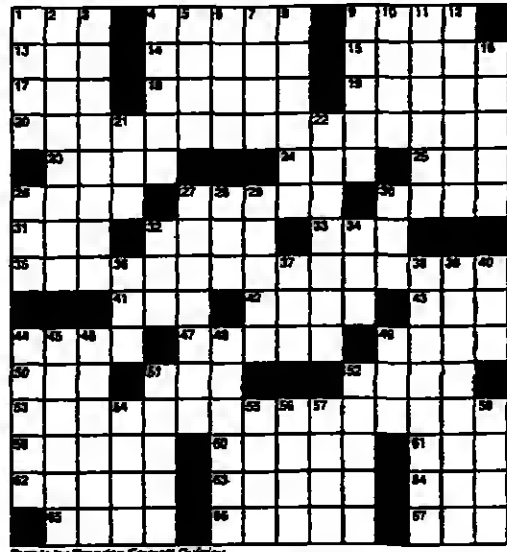
CROSSWORD

ACROSS
1 Cookbook phrase
4 You can't control it
7 Ramadan observance
13 Beaujolais, say

14 Rock band named for an inventor
16 Mr. T. group
17 Fraternity letter
18 Hunter of myth
19 A masked man

20 Looking through photo albums, perhaps?
23 Baseball's Sandberg
24 Reactor part
25 Posed
26 Place to lose oneself
27 Emaculate
30 "Now I see!"
31 Supped
32 Like some eligible, once
33 Eponymous physicist
35 Party item
41 Weed
42 Caps Lock neighbor, on a computer
43 Something to shoot for
44 Zeppo, for one
47 Where the buffalo roam
48 Label info
50 — pro nobis
51 Bilko's rank: Abbr.
52 57-Down measurement
53 #1 movie of 1985
55 Singer Cara
56 Composer Copland
61 "Interview With the Vampire" co-star
62 Debussy work
63 Post-toast sound
64 "Independence Day" villain
65 High schooler
66 Some cigarettes
67 Like a wallflower

DOWN
1 Declare as fact
2 Highbrows
3 One critically examining
4 Hot spot
5 Prefix with scope or meter
6 "O — queen"
7 Work hard
8 Repeated word
9 Disconcerted
10 Over
11 Hoverer near God's throne
12 Human ankle
13 Words on a coat of arms
14 Suffix with Alp
15 Queen described by Mercurio
17 Experience
18 Cultural org.
19 Quetzalcoatl worshiper
20 Wake-up times: Abbr.
22 Surprised cry
24 "Just hold everything!"
25 "1138" (1971 sci-fi film)
27 U.P.S. cargo: Abbr.
28 Connoisseurs
29 Home of Mary and Joseph
30 Italian numero
31 Shell competitor
32 Genesis mount
33 Flower part
34 Go at
35 Wait
36 Unaccommodating
37 Street toughs
38 Baby-bouncing locale
39 Vigorous



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Solution to Puzzle of March 11

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UNTRIE MENAGE
DEVO MELTINGPOT
ARI BAL OTT ENO
GAUZE EXMET
MILTONERIE
PARO ECLAT
TREATAI ADD OLE
MOLTENLAVA UNIT
BOUNDS BLINDING
INDO MULTIGRAIN
BEET IDEA GUTRE
EYRE TERR RHETT

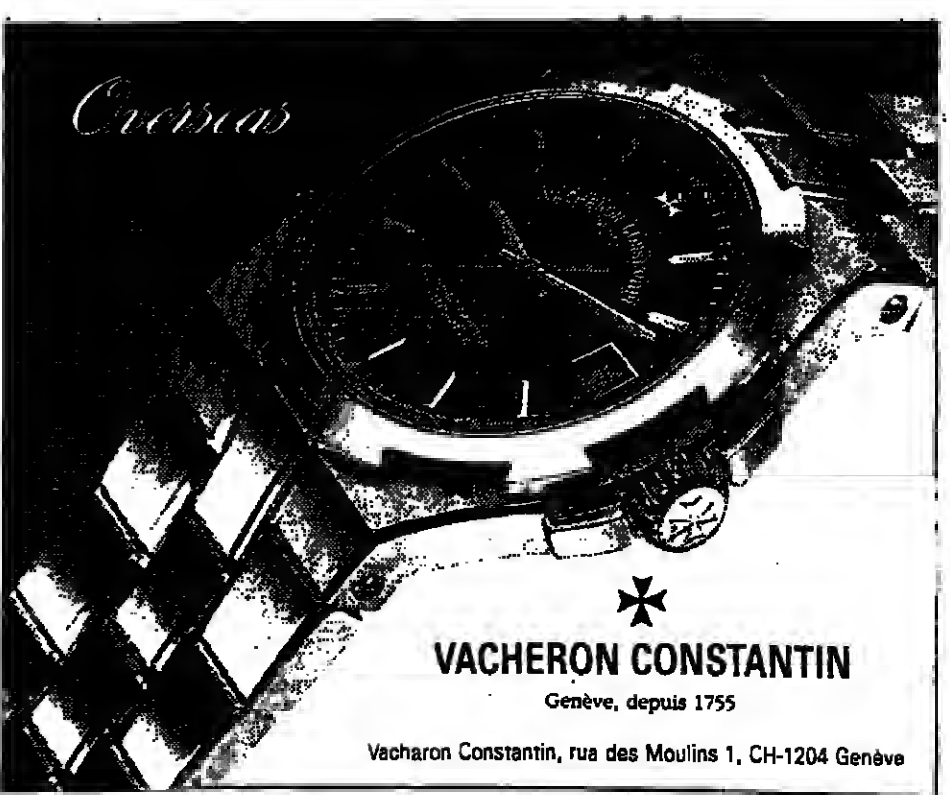
Jesuits Arrested After Gun Battle In South Mexico

Reuters

TUXTLA GUTIERREZ, Mexico — Mexican authorities on Monday jailed two Jesuit priests on charges of leading a peasant attack in which two policemen were killed in the southern state of Chiapas.

Geronimo Hernandez and Gonzalo Rosas were arrested on Saturday with two Mayan Indian leaders after a gunfight near Palenque, the site of famous Mayan ruins. Police said the priests led the attack on Friday.

The Catholic Church said the charges were fabricated and part of a campaign to discredit it. Relations between the church and the government have been sour since a Zapatista peasant uprising in 1994.



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INTERNATIONAL

BORED: Depression Amid the Wealth

Continued from Page 1

Valium and other tranquilizers prescribed elsewhere.

Russian women do not usually accompany their husbands to business dinners or out-of-town conferences. Nor do they attend social events on their own. Mrs. Averyanova, who taught piano until her husband insisted that she stop, said that although she yearned to go to art gallery openings and receptions, her husband was too busy to take her and she would not dream of going alone.

The social organizations that occupy affluent housewives in the West — garden clubs, book clubs, even the PTA — have not yet taken hold in Russia. Philanthropy, a relatively new thing here, is mostly handled by the tycoons who made the money and want credit for disbursement.

Volunteer work, too, common among the wives of foreign diplomats and businessmen here, has not caught on.

"The system isn't established here," said Olga Dubova, the wife of a top executive at Logovaz, the country's largest car dealership.

"We would love to do charity work," Mrs. Dubova said. "But you can't just drop by a prison or a hospital. There is a whole bureaucracy in the way."

She added that higher-profile charity work — fund-raising or charity balls — was taboo.

"Raisa Gorbachev annoyed the public by being too visible," Mrs. Dubova said. "Most husbands want to keep their wives in the shadows."

The closest thing to public scrutiny of their problems was a recent episode of the television talk show "My Family." The topic was the new rich, and the program featured a masked man who said he was a gigolo for the wives of rich businessmen.

"What you have to understand," he told the snickering studio audience, "is that most of these women are really lonely. Their internal life is not as easy and comfortable as it appears on the outside."

Feelings of isolation are compounded by the grim realities of financial success in Russia. Many have moved to high-security compounds in the suburbs. Bodyguards drive them to their appointments.

Bodyguards also take the children to their expensive private schools. Armed guards patrol school playgrounds. Kidnapping, common but rarely reported, is

one of the rich Russian mother's greatest terrors. An academy in St. Petersburg recently began advertising courses to train nannies in the martial arts.

Economic dependence breeds passivity; all of the women interviewed seemed to be waiting for someone to rescue them.

"I look in the newspapers every day to see if anyone has created a women's club," Mrs. Averyanova said wistfully. "If only someone would organize us."

There have been efforts to create a club for women of wealth in cities like Moscow and St. Petersburg, but none have come to fruition.

The closest equivalent is a luxurious oew private club in Moscow called Mooolith, founded by rich businessmen and government officials, which advertises itself as a "family club." A pink marble emporium, it boasts a French restaurant, an English-style game room, a fitness center, a beauty salon and a children's playroom.

Vladimir Popov, a manager of the club, dryly explained the modus operandi of the rich nuclear family at play.

"Men are supposed to go somewhere with their families on weekends," he said. "Here the wife goes to the sauna, the kids go to the playground and the husband goes to the bar to talk with his friends — officially, it's a family day."

Olga Zdravomyslova, a researcher at the Center for Gender Studies in Moscow, has conducted interviews with rich housewives for five years.

"They find themselves totally dependent on their husbands, cut off from old friends whose economic stations are now totally different, and alone," she said. "There is no role for them in our society."



RED CAP SERVICE — Part of a special force of 250 policemen in St. Petersburg preparing Tuesday to begin work, including assisting tourists. The officers, who wear red caps, all speak foreign languages.

Male chauvinism is as rampant among young businessmen as it is among pensioners.

"Sergei says that anything a woman can do, a man can do better," said Anya Lisovskaya, 29, paraphrasing her husband, one of Russia's most successful young businessmen, Mr. Lisovsky, 36, a music promoter turned advertising mogul, was a major fund-raiser for Pres-

ident Boris Yeltsin's re-election campaign last year.

In an interview before the election, she explained, "He says it's better for women to stay at home and look after the family."

Married for five years, they have no children, but Mrs. Lisovskaya said her days were quite occupied.

"I take English lessons three times a

week. I go to the gym five times a week and work out with a trainer. I make dinner for Sergei when he can come home, so really I am quite busy." She added that he rarely made it home for dinner.

"What can I do?" she asked with a shrug. "There is so much he wants to achieve. When we are old, we can sit down and enjoy our life."

NATO: Alliance and Russia Appear Near Agreement on Plans for Eastward Expansion

Continued from Page 1

say, would be to hold a special NATO-Russia summit meeting around the end of May, when President Bill Clinton is scheduled to visit Europe for ceremonies marking the 50th anniversary of the Marshall Plan.

"It would be difficult if not embarrassing for Yeltsin to show up in Madrid when the meeting will be dominated by NATO enlargement to the east," a senior NATO diplomat said. "The Russians are saying they want to come first in the

sequence of events and would prefer to be at center stage, especially if it could be the G-7 session in Denver."

The jockeying over dates and venues is one of the surest indications that Russia wants to conclude negotiations by the early summer on a special "16 plus 1" relationship with the Western military alliance long viewed as its worst enemy.

Mr. Solana and Mr. Primakov are now close to a full understanding on the principles and areas of cooperation under a permanent consultative forum linking NATO and Russia that would meet at

various levels, from ambassadors up to heads of state, at least once a month.

There are still some tricky issues on the military consequences of enlargement that may go down to the wire," said a senior NATO official. "But the Russians are leaving no doubt that they are very serious about reaching an agreement well before the Madrid summit."

The new consultative forum would have its own secretariat, probably at NATO headquarters. Russia would have a voice but not a veto over subjects that would include joint peacekeeping mis-

sions, terrorism, nuclear proliferation, missile defense, environmental matters and how to transform military industries for civil purposes.

Both sides have now exchanged draft texts and could wrap up final language on the political chapter of the document in the next few weeks, officials said. But achieving a mutually acceptable compromise on the military aspects of NATO enlargement still looms as the toughest task to crack.

Russia is demanding stronger guarantees that NATO will not deploy nuclear weapons or permanently station foreign troops on the territory of new members. NATO has declared it has no plans nor does it foresee a need to deploy nuclear weapons, but cannot offer an absolute ban.

On troops, NATO wants to keep open the possibility of dispatching NATO troops to new member states on a temporary basis for military exercises, peacekeeping missions, or security emergencies.

Russia also worries about alliance military infrastructure moving east and greatly enhancing the war-fighting capacity of neighbors that have long served as a territorial buffer zone.

"The Russians say they do not want NATO membership to give any neighbor an attack capability that goes beyond pre-set defense systems," a NATO official said. "We are trying to design a package that would calm their fears yet not diminish NATO defense or create second-class citizens among new members."

BRIEFLY

Algeria Introduces 5-Day Workweek

PARIS — Algeria is cutting the standard workweek to five days from six, Algerian state radio reported Tuesday.

The radio said that from now on the workweek would run from Saturday to Wednesday with the day beginning at 8 A.M. and ending at 4.30 P.M. with a one-hour break for lunch at 1 P.M.

Algerian employees worked six days a week and eight hours a day until the change, introduced by a law aimed at creating new jobs to ease unemployment. (Reuters)

German Hostages Are Freed in Yemen

SANAA, Yemen — Seven German motorcycle tourists kidnapped by Yemeni tribesmen were freed Tuesday after being held hostage for a week in an isolated mountain hideaway, the German Embassy here announced.

An embassy spokesman said the seven were exhausted but in good spirits after their eight-day ordeal, and were being taken to the town of Sayun, about 500 kilometers (310 miles) east of Sanaa, in Hadramut Province. The Germans, all men in their 30s and 40s, were taken hostage by about 50 armed tribesmen March 3 while touring eastern Yemen. (AFP)

Assault Possible, Fujimori Says

LIMA — President Alberto Fujimori said Tuesday that the government would try to resume talks with rebels of the Tupac Amaru Revolutionary Movement soon, but also would continue planning for a possible use of force to free the 72 hostages held in the Japanese ambassador's residence here.

The remarks came one day after the government canceled a round of talks with the Marxist rebels shortly before it was to begin. (AFP)

Gunmen Kill Haitian Official

PORT-AU-PRINCE, Haiti — Gunmen shot and killed the head of the Justice Ministry security guard, the latest violence in a two-week crime wave in which at least 32 people have died.

Two men on a motorcycle fired on Avriel Charles as he was having a flat tire repaired Monday afternoon at a Port-au-Prince service station, witnesses said. A motive for the killing was not known, and there were no immediate arrests.

At least three police officers have been killed in the last two weeks during a rash of slayings and robberies. Radio Metropole said Monday that a fourth officer had died of wounds suffered in a drive-by shooting last week. The report could not be confirmed. (AP)

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INTERNATIONAL

U.S. Claims Small Drug-War Victory

Treasury's Moves Cripple Cartels' Money-Laundering Scheme

By Robert D. McFadden
New York Times Service

NEW YORK — For years, drug cartel money-launderers in New York have been sending as much as \$1.3 billion a year back to Colombia through storefront shops that immigrants use to wire cash home.

The major restraint on this electronic smuggling has been a federal requirement that transactions of more than \$10,000 be reported to the government.

But since last summer, as drug agents were due to testify in Congress on Tuesday, a Treasury Department order quickly imposing a limit of \$750 per transaction on 1,600 remittance shops suspected of wiring most of that illicit money has resulted in a small victory in the war on drugs. The order has sharply cut the electronic transfers to Colombia and forced the cartels to return to older, cruder methods of smuggling money in bulk.

Faced with the alternative of wiring fortunes in penny-ante increments or submitting identification cards with their transactions, cartel operatives have gone back to stashing cash in coffins, bowling balls and other hiding places, investigators said Monday.

But the drug sleuths have been wait-

ing for them. At airports and seaports along the East Coast, agents seized \$29 million in smuggled money in the first three months the order was in effect, compared with \$7 million in the like period a year earlier, investigators said.

Meanwhile, the cartels' wire transfers to Colombia have all but dried up.

"The order has in effect shut down the money remitters as an avenue for narcotics proceeds, forcing launderers to resort to bulk currency shipments," Andre Flores, the chief agent of the U.S. Customs Service on Long Island, New York, said in an interview Monday.

"The \$750 limit is a major hurdle when you have to move \$500,000."

In an effort to persuade Congress to tighten currency restrictions and make the Treasury limit on money transfers to Colombia and other sources of illegal drugs permanent, a group of federal law-enforcement officials were scheduled to testify in Washington on Tuesday before the investigations subcommittee of the House of Representatives' Banking Committee.

■ **Clinton Makes Pitch for Mexico**

David Stout of The New York Times reported from Washington: President Bill Clinton met with nine

senators Monday night to seek their support for his decision to certify Mexico's anti-drug campaign, and several of the lawmakers said afterward that Mr. Clinton had made a good case.

The senators were briefed by the president and several cabinet-level aides, including Attorney General Janet Reno and General Barry McCaffrey, the drug-policy director. The officials argued that refusing to recertify Mexico as an ally in the battle against drugs would be against U.S. interests, the senators said.

"People listen to that," said Senator Patrick Leahy, Democrat of Vermont. "It's easy to treat Mexico in simplistic terms."

Senator Richard Lugar, Republican of Indiana, spoke of "the very serious situation" that would be created by decertifying Mexico. But he stopped short of saying that Mr. Clinton had won him over completely.

Mr. Lugar and Mr. Leahy said an alternate resolution was being worked on by Senators Kay Bailey Hutchison, Republican of Texas, Christopher Dodd, Democrat of Connecticut, and others. They declined to discuss its wording, but it seemed likely from their tone that the resolution would walk a

U.S. Seizes Video Said to Show Object Aimed at TWA Jet

The Associated Press

NEW YORK — The FBI has seized a videotape that is said to show an object speeding toward TWA Flight 800 seconds before the plane exploded, killing all 230 people aboard.

The U.S. District Court in Brooklyn issued a subpoena for the seizure Monday night from the home of a retired United Airlines pilot, Richard Russell, as part of the criminal investigation into the July 17 crash, a person close to the investigation said Tuesday, speaking on condition of anonymity.

The tape is to be reviewed by a federal grand jury, possibly as early as Wednesday, this person said.

Mr. Russell said the video was a copy of a Federal Aviation Administration radar tape. He refused to say how he had obtained it.

diplomatic tightrope — expressing American resolve to continue the war on drugs while applauding efforts by Mexico to improve its performance.

It is not clear that Mr. Clinton has majority support in the Senate or the House for recertifying Mexico.

Martin Kippenberger, 43, Dies; German Mixed-Media Artist

New York Times Service

Martin Kippenberger, 43, widely regarded as one of the most talented German artists of his generation, died of cancer Friday at the University of Vienna Hospital.

A dandyish, articulate, prodigiously prolific artist who loved controversy and confrontation and combined irreverence with a passion for art, Mr. Kippenberger worked at various points in performance art, painting, drawing, sculpture, installation art and photography and made several musical recordings.

He was a ringleader of a generation of "bad boy" German artists born mostly after World War II that emerged in the wake of the German neo-Expressionists. His penchant for mixing media, styles and processes influenced younger artists on both sides of the Atlantic.

He moved to Vienna last year.

■ **Dame C.V. Wedgwood, 86, British Writer-Historian**

LONDON (AP) — Dame C.V. Wedgwood, 86, one of Britain's most eminent and widely read historians, died Sunday in London after a long illness.

Dame Wedgwood specialized in 17th-century history, and her colorfully

written works on the English Civil War, "The Thirty Years' War," published in 1938, is regarded as the standard work on the subject.

Her 1944 biography of a Dutch monarch, "William the Silent, Prince of Orange," won the prestigious James Tait Black prize in Britain. The Netherlands made her an Officer in the Order of Orange-Nassau in 1945.

Dr. Pierre M. Galletti, 69, a leading researcher on artificial organs and tissue engineering who helped found the Brown University School of Medicine in Providence, Rhode Island, died Saturday of head trauma from a fall.

Stan Drake, 75, illustrator of the comic strip "Blondie" and creator of the classic romance strip "The Heart of Juliet Jones," died Monday in Norwalk, Connecticut, after a long illness.

Kinnosuke Yorozuya, 64, one of Japan's most popular actors in period movies, died of pneumonia Monday near Tokyo.

Lars Ahlin, 81, regarded as one of Sweden's top working-class writers, has died. No date or cause of death was reported.

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ASIA/PACIFIC

Trade Issues Drive Hanoi's Pledge to Pay Debts to U.S.

By David E. Sanger
New York Times Service

WASHINGTON — Vietnam's agreement to repay the United States millions of dollars in debts incurred by the former South Vietnam is a sign of how far the dialogue between Washington and Hanoi has moved beyond questions over the remains of prisoners of war and toward broader, trade-related issues, American officials say.

Vietnam agreed Monday to repay the United States millions of dollars in debts incurred by the Saigon government for roads, power stations and grain shipments before it fell to North Vietnamese forces in 1975.

The agreement, struck Saturday in Hanoi, ends several years of negotiations with Vietnam over the assumption of the debts, now worth about \$140 million. Many of those debts were incurred to bolster the South's war effort, including the country's main railroad and water systems and a major power plant for Saigon, now called Ho Chi Minh City.

Vietnam did balk at repaying \$12 million in outstanding loans for the "Food for Peace" program, arguing that through a series of complex transactions the United States used money that was ostensibly earmarked for grain purchases to help finance the Vietnam War.

U.S. officials said the accord signaled movement in the U.S.-Vietnam dialogue toward questions of how the Communist government will be integrated into the world economy.

"The Vietnamese leaders have a clear economic agenda," a senior U.S. official said. "And they knew that resolving this debt issue was one of the hurdles they had to get past before they get the trading rights they want."

Hanoi was also motivated by the visit of Treasury Secretary Robert Rubin, who is scheduled to arrive early next month.

Under the accord, the Vietnamese have 20 years to repay loans issued to the South. The first payment is due next month, shortly after Mr. Rubin's visit, which comes at a time when American companies are exploring large investments in Vietnam, though they have been

hesitant because of many of the country's trading barriers.

Since President Bill Clinton normalized relations with Hanoi in July 1995, the two countries have been negotiating over the many ways in which the Vietnamese economy must change before the administration grants preferential trading status to Hanoi, including low tariffs on imported goods.

That issue was high on the agenda when Warren Christopher, then secretary of state, visited Vietnam in August 1995 to raise the U.S. flag at a new embassy in Hanoi. Mr. Christopher was looking to celebrate the end of a raw chapter in American history; the Vietnamese were more interested in talking to members of his delegation about trade status, economic reform issues and getting the country into the World Trade Organization.

Talks since then have advanced painfully slowly. Vietnam maintains many of the same trade barriers that U.S. officials complain about in China. Foreigners are not permitted to trade directly with customers in Vietnam

(though many strike deals on the side), the country maintains strict import quotas and licensing requirements for companies that want to trade there and it prohibits many kinds of foreign investment.

Like China, Vietnam has been hesitant to make the kinds of concessions that would open its state-dominated enterprises to foreign competition. But over the last several months, it has been working with the United States to draft the specific language of a trade accord, one of the prerequisites for preferential, or "most-favored nation," trading status.

Haggling over the wording of that accord, one official said Monday, "could take up much of the rest of the year."

Before most-favored-nation status could be granted, Mr. Clinton would also have to waive a legal provision, known as the Jackson-Vanik amendment, that concerns freedom of emigration. A similar waiver concerning China triggers an annual human rights debate in Congress, and the arguments would probably be equally heated in Vietnam's case.

Farm Minister In North Korea Is Replaced

Reuters

TOKYO — Struggling to recover from two years of devastating floods, North Korea named a new farm minister Tuesday in the latest of several changes in the country's power structure.

A broadcast by the North's official Korean Central Radio, monitored in Tokyo, referred to Han Ik Hyon, a regional farm committee chairman, as chairman of the State Agricultural Commission, or farm minister.

The radio did not say when Mr. Han took over from Kim Won Jin, who had been farm minister since 1990 and was last mentioned by North Korea's official media 10 months ago.

Mr. Han's title was revealed in a list of dignitaries who attended an official function, said Radiopress, which is based in Tokyo and which monitors North Korea's state media.

Mr. Han, whose age was not given, was neither a member nor alternate member of the several-hundred-strong central committee that rules the reclusive Stalinist nation.

Radiopress analysts speculated that Mr. Kim may have been dismissed for his failure to get the country's agricultural production back on course after floods in 1995 and 1996 caused near-famine.



North Korea's leader, Kim Jong Il, surrounded by officers and pointing in an official photograph as he inspected an army unit at an unidentified location.

Mr. Han's elevation to a cabinet post follows a month of drastic changes in North Korea's leadership.

Pyongyang has requested food aid from the United States, China and other countries.

The issue is linked to North Korea's participation in talks to sign a peace treaty formally ending the 1950-1953 Korean War.

In January, the Food and Agriculture

Organization, an arm of the United Nations, said that food shortages in North Korea were likely to worsen considerably this year and require large-scale international assistance to ensure that minimum needs are met.

"Two successive years of floods have undoubtedly set back agriculture and significantly compounded underlying food production problems in the country," an FAO report said.

China Discloses Blast In Mine; 89 Are Dead

Compiled by Our Staff From Dispatches

BEIJING — An explosion in a privately owned coal mine in central China has killed 89 people and injured nine, according to local officials.

The blast, which occurred March 4 at a mine in Henan Province's Lushan county, prompted the provincial government to announce that it would close all unlicensed and unsafe mines by mid-April.

As an initial response, all 100 mines in Lushan have been closed temporarily pending the results of an investigation into the causes of the disaster. Yuan Zhoukan of the county's emergency services said.

The three owners of the mine were detained after the explosion, Mr. Yuan said by telephone. A report distributed in Hong Kong earlier said the owners had fled.

"There was a single explosion in one of the three small tunnels within the mine, but two other tunnels immediately collapsed as well," Mr. Yuan said.

The disaster was the latest in a long series of large-scale mining accidents across China, most of them at small, private mines — many of them unlicensed — that ignore state safety rules. A circular issued shortly after the explosion by the provincial government in Zhengzhou ordered a survey of every mine in the province and said all unregistered operations had to close by the end of this week. Mines that have valid licenses but are found to violate safety regulations must be closed by April 15, it said.

In January, 31 people were killed and four seriously injured in an explosion in a coal mine near Yima, also in Henan, and in November, 114 people were killed in a coal mine explosion in the northern province of Shanxi.

Explosions and other accidents kill as many as 10,000 Chinese miners a year, with coal mines accounting for more than one-third of the toll, government statistics show.

(AFP, Reuters)

BRIEFLY

Support for Rewriting History

HONG KONG — Hong Kong's future leader, Tung Chee-hwa, on Tuesday threw his support behind China's proposal to rewrite parts of school textbooks after the British colony is returned to Beijing later this year.

"There are areas where textbooks need to be rewritten and other issues, which refer to the colonial past, that need to be looked at," Mr. Tung said.

Possible changes include not only simple references to China, which in future will become a "sovereign" instead of the current "neighboring country" but also those describing sensitive issues like the 19th century opium wars, Mr. Tung said.

Britain prized Hong Kong from China a century and a half ago through the gunboat diplomacy and so-called opium wars that were sparked over opium that Western traders were shipping to China. (Reuters)

Hong Kong Deports Vietnamese

HONG KONG — The government deported 102 Vietnamese on Tuesday, while 50 others staged a roof-top protest at a camp, calling on the government to honor a court ruling that they should be screened to see if they deserve asylum.

Those deported — 71 men, 16 women and 15 children — were flown to Hanoi. Their departure brought to 9,802 the number of Vietnamese sent home since November 1991, the government said.

Meanwhile, 50 Vietnamese protesters say that despite an order five months ago by Hong Kong's highest court of appeal, the government still has not screened them. The Hong Kong government considers them illegal immigrants because they arrived from China. (AP)

Blast at Japanese Nuclear Site

TOKYO — Fire accompanied by what sounded like an explosion broke out Tuesday night at a nuclear waste handling facility northwest of Tokyo, shattering windows and sending out smoke, company executives said.

No one was injured, and no one was in that part of the facility at the time, said Masato Sukegawa, a spokesman of the state-run Power Reactor and Nuclear Fuel Development Corp. (AP)

Seoul Campaigning Starts

SEOUL — Lee Hong Koo, the chairman of the ruling New Korea Party, on Tuesday kicked off the presidential race by challenging other party elders to policy debates.

Mr. Lee, who is to step down as party chairman on Thursday, said he would campaign to win the party's nomination for presidential elections in December. President Kim Young Sam's five-year term expires in February 1998.

"Selection of a new leader must be different from the method in the past," he said. We should break away from politics of money and factional forces. It should be through active policy debates. (Reuters)

Thailand Moves Refugees

MAE SOT, Thailand — Officials began moving thousands of Karen refugees to a safer camp on Tuesday as Thailand attempted to tighten its grip on refugees living on its soil, officials and refugee sources said. (Reuters)

THE AMERICAN EXPRESS

The Salvador Dali etching you purchased a year ago in Italy was never shipped to you, I would've tried to get this lovely picture of... er... whatever, to you sooner" SERVICE

FORT LAUDERDALE, Saturday, July 22 — "How to locate something a customer can't describe" is not a course we offer employees at American Express. So how Donna Merritt, a supervisor in one of our Florida offices, ever helped a Cardmember recover a very unusual etching, is beyond us.

Our guess is that Donna, like a lot of the people who work for American Express, knows something about the art of customer service. Mainly, that it isn't a service, but lots of services — many of which don't have names or procedures or restrictions. Come to think of it, it's also something you can't describe.

AMERICAN EXPRESS

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البريد 135

EUROPE

Yeltsin Dumps Cabinet,
Signaling New Reforms

Only Chernomyrdin and Chubais Survive

MOSCOW — President Boris Yeltsin, asserting his authority after months of illness, ordered far-reaching cabinet changes Tuesday that could open the way for a new burst of radical economic reform.

In a presidential decree, Mr. Yeltsin ordered Prime Minister Viktor Chernomyrdin to come up with cabinet proposals within a week. But analysts said that Mr. Chernomyrdin's new first deputy, Anatoli Chubais, could be the driving force behind the changes.

Mr. Chubais, who spearheaded privatization from 1991 to 1996, had been out of the government for more than a year because of the public's intense hatred of his policies. He was a liability for Mr. Yeltsin as he fought off a strong Communist challenge in the presidential election last summer.

But Mr. Chernomyrdin said: "I think we will send the president proposals on forming the government at the end of the week." It was not clear how many

ministers would be reappointed in the new line-up.

Before Mr. Chubais's appointment Friday, Russia had three posts of first deputy prime minister — covering the economy, social issues and industry — and 11 deputy prime ministers.

"First the government will need to concentrate on fiscal and military reforms," Mr. Chernomyrdin said, adding that industry and housing also needed attention.

The main policy guidelines laid down by Mr. Yeltsin in his state of the nation address last Thursday, in which he pledged radical changes and a crackdown on government "fat cats," must dominate the government's work," Mr. Chernomyrdin added.

Mr. Yeltsin lambasted the government in his speech for its failure to tackle chronic delays in wage and pension payments, accusing bureaucrats of feathering their own nests.

Millions of state workers and pensioners have gone unpaid for months, amid a general internal debt crisis, aggravated by the government's poor record on tax collection.

The appointment of Mr. Chubais — a leading market reformer reviled by the Communists and nationalists who dominate the lower house of Parliament — signaled Mr. Yeltsin's determination to crack the whip to curb the influence of powerful lobby groups.

"Chubais has become practically the most important contemporary Russian politician," the daily newspaper *Komsomolskaya Pravda* commented.

By keeping Mr. Chernomyrdin as prime minister, Mr. Yeltsin avoided having to get the new government approved by the lower house, the State Duma, said Irina Kobrenskaya, an analyst at the Carnegie Endowment. Mr. Chernomyrdin and Mr. Chubais effectively ran the country during Mr. Yeltsin's absence for heart problems and pneumonia after his re-election in July.

Mr. Chubais is expected to play the key role in pushing through fundamental reforms on a scale unseen in Russia since mass privatization was started and price controls were lifted in 1992.

In his state of the nation speech, Mr. Yeltsin vowed to take personal control over the preparation of next year's budget, and promised reforms of the military, pension system and housing allowances, as well as a crackdown on powerful monopolies, which he accused of stifling the economy by imposing high tariffs. (Reuters, AFP)



Chancellor Kohl taking his seat at the weekly meeting of his cabinet in Bonn on Tuesday as coal miners continued their protests outside.

Coal Miners Again Tie Up
Bonn, Then Start to Leave

The Associated Press

BONN — Whistling and jeering, thousands of coal miners paralyzed the federal government district for a second successive day Tuesday to protest planned cuts in mining subsidies.

Chancellor Helmut Kohl's government put off a scheduled meeting with mining union leaders until Thursday, saying that it would not talk under pressure.

Hans Berger, head of the union, urged the miners to return home later Tuesday, and they began to disperse.

About 5,000 demonstrators gathered by midday near Mr. Kohl's forced-off office building.

About 150 demonstrators scuffled with the police after breaking through barricades and heading toward the Parliament building on the edge of the Rhine. The demonstrators retreated after opposition politicians at the rally appealed for calm.

Union officials say the subsidy cuts would wipe out 60,000 of the industry's 90,000 jobs.

Despite the protests and pledges of support from the opposition Social Democrats, some miners saw little hope of reversing the industry's fate.

"Future? There is no future," a miner, Klaus-Dieter Schmidt, said wearily.

Morning commuters sat in traffic

jams Tuesday as police rerouted vehicles around Bonn's main thoroughfare, which was occupied by throngs of miners.

Protesters chained themselves to the headquarters of the Free Democratic Party, the junior partners in Mr. Kohl's governing coalition and the most vocal free-market force in German politics.

Miners also gathered at the headquarters of Mr. Kohl's Christian Democratic Union a few hundred meters along the street.

Hundreds of protesters had spent the night in Bonn, some in tents and others sleeping in the headquarters of the Social Democrats.

Protests also continued Tuesday in Saarland state and the Ruhr Valley, Germany's two main coal areas.

German coal miners walked away from the pits and started daily demonstrations Friday after Mr. Kohl's government said it would cut federal coal subsidies from about 9 billion Deutsche marks (\$4.1 billion) a year to 3.8 billion marks by 2005.

A ton of German coal costs 260 marks to produce, compared to a world market price of about 100 marks a ton. To preserve jobs, the government makes up the difference with subsidies.

A 1994 law provided for cuts in subsidies, but the government hung out of working out the unpopular details.

BRIEFLY

French Officials Cleared in Blood Scandal

PARIS — France's top prosecutor recommended Tuesday that charges be dropped against a former prime minister and two other former officials regarding their involvement in the contamination of about 1,300 French hemophiliacs by AIDS-tainted blood in 1985.

The recommendation by the chief prosecutor, which was based on lack of evidence, means the three former officials are almost certain to avoid trial.

Former Prime Minister Laurent Fabius, former Social Affairs Minister Georgina Dufrenoy and former Health Minister Edmond Hervé, members of the 1984-1986 Socialist government, had been charged with "complicity in poisoning," which carries a maximum 30-year prison sentence.

The scandal erupted in 1990 following disclosures that in 1985 health officials had knowingly used blood supplies contaminated with the AIDS virus. More than 500 hemophiliacs have since died from the transfusions. Four high-ranking health officials have been convicted, and two have been jailed. (AP)

Austria Paid \$58 Million to Victims of Nazis

VIENNA — Austria paid victims of Nazism 700 million schillings (\$58 million) in 1995 and 1996, the Parliament's president, Heinz Fischer, said Tuesday.

According to Mr. Fischer, more than 11,000 people who were persecuted, or escaped persecution, by the Nazis in Austria each received around 70,000 schillings from a special fund set up in 1995. Mr. Fischer said Austria would pay 600 million schillings in 1997 to victims of Nazism. (AP)

Swedish Prime Minister Hits Low in Poll

STOCKHOLM — Prime Minister Goran Persson of Sweden has scored the lowest popularity rating ever given to a prime minister by the IMU/Telesloggen polling agency, in a survey marking his first 12 months in office.

Mr. Persson, who heads the minority Social Democratic government, got 2.4 points out of a possible five in a poll published Tuesday in the daily *Aftonbladet*. (Reuters)

Basque Prison Psychologist Killed by ETA

SAN SEBASTIAN, Spain — A Spanish prison psychologist died after being shot three times in the head by Basque separatist rebels Tuesday, officials said. Javier Garcia Eloegut, 37, died shortly after being taken to the hospital. Basque police detained one of two attackers, a member of the Basque armed separatist movement ETA, according to the Interior Ministry. The other attacker, a woman, fled the scene. (Reuters)

Sweden Pleads for Chemical-Arms Treaty

GENEVA — Sweden on Tuesday deplored the failure of the United States and Russia to ratify the global ban on chemical weapons.

Sweden's foreign minister, Lena Hjelm-Wallen, told the 61-nation Conference on Disarmament that it was "a deplorable fact that the United States and Russia — the two declared possessors of chemical weapons — have not yet ratified the convention," which goes into effect April 29. (AP)

EU Blocks France
On Time Changes

Agence France-Presse

BRUSSELS — France's attempt to have the twice-yearly clock change in Europe abolished was blocked Tuesday by its European Union partners at talks here.

EU transport ministers voted to extend the current rules governing time changes, which expire next year, until 2001.

Under the existing framework, all EU countries put their clocks forward one hour at the end of March and back one hour at the end of October on the same day. Most countries are one hour ahead of Greenwich Mean Time in winter, with Britain, Ireland and Portugal on GMT and Finland and Greece two hours ahead.

France had insisted it would end the time changes, claiming that two-thirds of the French population support the move. It could have faced legal action by the EU's high court and caused disarray in transport companies' timetables for the coming years.

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INTERNATIONAL

Isolated and in Ruins, Bosnia's Serb Republic Could Face War

By Chris Hedges
New York Times Service

LUKAVICA, Bosnia-Herzegovina—The collection of warehouses that makes up a sprawling factory less than a mile from the Bosnian capital stand as a bleak harbinger of the Bosnian Serbs' future.

The Famos factory, once owned by the Yugoslav government, employed 3,500 people making truck and bus engines and car parts before the Bosnian war began five years ago.

At the end of the war in 1995, this factory was seen by the Bosnian Serbs as the prize that would help regenerate their economy. It was to be the industrial centerpiece around which they would build a new Serb-controlled capital on the edges of the existing Bosnian capital, Sarajevo, which is under the control of the Muslim-led Bosnian government.

The factory had been in the Sarajevo suburb of Ilidza, but its 2,000 machines were dismantled and moved to Lukavica last year, to an area controlled by the Bosnian Serbs. The move took place before Ilidza was turned over to the government as part of the peace agreement reached in late 1995 in Dayton, Ohio.

Under the agreement, Bosnia was to include two distinct political entities —

one controlled by a coalition of Muslims and Croats and the other by Serbs, their self-styled Republic of Srpska — with a national structure to coordinate the two.

But the Bosnian Serb entity has refused to honor many of the Dayton terms. As a result, it has been cut off from international aid and remains isolated. The steady political and economic decline of Srpska, along with the refusal to honor the Dayton agreement, has left many Western diplomats warning that the enclave will pose an easy, and increasingly tempting target, to the Bosnian Muslim army once North Atlantic Treaty Organization peacekeepers depart next year, although such an attack would trigger another war.

The failure of the Famos factory, owned by the Bosnian Serb leadership, is one of the most visible symbols of the looming breakdown of its political entity. In the last year, the factory has produced only 20 engines and 50 clutches, which were sold to the state-run bus company in neighboring Yugoslavia. The Bosnian Serbs have been unable to sign any contracts with foreign firms or to lure outside investment.

The rest of the Bosnian Serb structure

is faring no better. Its military is still largely run by General Ratko Mladic, who has been indicted by the UN commission at The Hague for war crimes, although he was publicly removed from his position last year.

But the Bosnian Serb army, no longer financed by Yugoslavia, has dwindled from 40,000 to 12,000 soldiers. Thousands of demobilized soldiers are unable to support themselves, and much of the

professionals and skilled labor. Like Famos, most factories sit nearly idle. The unemployment rate is 90 percent. Of the 800,000 Bosnian Serbs, 300,000 were displaced from their homes by the war.

The implications of a collapse of the Bosnian Serb entity are enormous. Under the Dayton agreement, tens of thousands of Muslims displaced from their homes by the Serbs have a right to return home. So far, however, the Serbs have allowed none to go back.

NATO strategists say that the Bosnian government increasingly sees the Serb zone as an easy military objective. These commanders say that if the peacekeeping forces withdraw it will be difficult to hold the Muslim-led government back.

"At least this war would probably be swift," said a Western diplomat. "And frankly there would be little sympathy for the Bosnian Serbs given their role in the war, their refusal to cooperate with the joint government institutions and their refusal to let displaced people go home. War, in fact, might be the best solution."

The despair and malaise that now infect the areas of Bosnia controlled by the Serbs is palpable in nearly every village. On a recent day, Milena Jevric

clutched a plastic container filled with her daily soup ration and walked in shoes several sizes too large up a muddy road in the village of Brezovica, about 20 miles northeast of Pale.

"As a girl I lived like this, after the second world war — and as an old woman I live like this again," she said. "We have no more savings. We are destitute. Most of the young people are leaving. The country is dying. I just struggle to eat."

The Bosnian Serb leadership in Pale, in a move to establish a link with Yugoslavia, signed an agreement with the government in Belgrade that included a promise of military cooperation.

The agreement, which Muslim leaders and Western diplomats said violated the Dayton peace agreement, also spelled out cooperation in areas such as foreign trade, border traffic, citizenship and customs.

But while the economic cooperation outlined in the agreement is mostly smoke and mirrors, it defiantly resurrects the apparent effort by President Slobodan Milosevic to integrate the Bosnian Serb enclave into Yugoslavia, which triggered the Bosnian war in the spring of 1992.

The Bosnian Serb leadership, however, defends the agreement.

"We have bonded ourselves to Belgrade with this agreement," said Mo-



The decaying Republic of Srpska could offer a tempting target for the Bosnian Muslims.

military's equipment is rusting from lack of maintenance and spare parts.

Although Radovan Karadzic, the former leader who also has been indicted for war crimes, was forced to resign under international pressure, he still wields enormous influence. And the current leadership is openly feuding.

The areas of Bosnia controlled by the Serbs have frequent power outages, the hospitals lack medicine and schools are often without books.

There has also been a huge exodus, to Yugoslavia and neighboring European nations, especially by the young, pro-

commanders say that if the peacekeeping forces withdraw it will be difficult to hold the Muslim-led government back.

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BRIEFING: Sparring Over China

Continued from Page 1

that the FBI's statement was erroneous. The Associated Press reported. But, he said, it was possible the national security aides misunderstood the ground rules when they were briefed on the matter.

The clash came as relations between the White House and the Justice Department appear increasingly strained by an inquiry into the fund-raising operations of the Clinton re-election effort.

The new squabbling on fund-raising also seemed certain to complicate Mr. Clinton's effort to win Senate confirmation of Anthony Lake as CIA director. Mr. Lake was the National Security Council chief at the time of the FBI briefing.

As they prepared to open hearings into the nomination Tuesday, Senate Republicans planned to question Mr. Lake about his knowledge of the China investigation.

The White House has accused the FBI of withholding information vital to the conduct of foreign policy. The Washington Post reported that the FBI last June also provided classified briefings to six members of Congress, warning them that they had been targeted by Beijing as possible recipients of illegal campaign contributions.

Four of those legislators, all Democrats, have identified themselves: Senators Dianne Feinstein and Barbara Boxer of California, Senator Daniel Patrick Moynihan of New York and Representative Nancy Pelosi of California.

In December, the Justice Department concluded that Chinese representatives had developed a plan to funnel nearly \$2 million not only into congressional campaigns but also into the presidential contest. China has denied that its government tried to influence the U.S. elections, and on Monday it lodged a formal protest over the news reports with the U.S. Embassy in Beijing.

During his news conference, Mr. Clinton said he had ordered his staff to find out why he had not been made aware of the FBI's suspicions.

Such information, he said, would have raised "a red flag," which might have influenced his already delicate dealings with China or generated more wariness about questionable contributions to the Democratic National Committee and White House visits that since have caused him so much trouble.

"It didn't happen; it should have happened," Mr. Clinton said of what he called the FBI's failure to allow warnings to be passed to him and to senior White House officials.

The public focus on China's alleged campaign involvement comes at a sensitive moment diplomatically. Mr. Clinton has made an effort to reach out to China, and Vice President Al Gore leaves next week for a visit to Beijing. Mindful of that, Mr. Clinton cautioned several times Monday that the accusations are unproven and "it's very important not to accuse people of something that you don't know they have done."

Officials said that Raymond Beers, the head of the National Security Council's intelligence programs office, and Edward Appel, an FBI special agent detailed to the council, were briefed at the White House on June 3 about the alleged Chinese efforts to target members of Congress.

The briefing was conducted by two FBI counterintelligence specialists, Jerry Doyle and Ray Wickman.

"What they did was proper," a senior intelligence official said of the FBI agents' briefing. "They provided the information and kept it in intelligence channels but didn't restrict it from high-ups."

But Mr. McCurry said the two council officials were "adamant" and told the White House counsel, Charles Ruff, "that they were urged by the FBI not to disseminate the information outside the briefing room."

"Therefore, the White House considers the FBI statement to be in error," Mr. McCurry said.

Clinton Calls for Free TV Time

Mr. Clinton tried to regain the initiative on the campaign-finance issue Tuesday, calling on broadcasters to give free TV time to political candidates. The AP reported. He urged the Federal Communications Commission to require broadcasters to provide free political air time as a condition of switching to digital broadcasting signals, which permit sharper pictures and more channels.



COVERING UP — Voters at a polling station near Nairobi beating a man they said was part of a group intending to disrupt a parliamentary by-election Tuesday. He and five other men were arrested for carrying gasoline bombs, whips and machetes. The police reportedly detained 58 others for carrying weapons.

REBELS: An Assault on Zaire's Discredited Political Class

Continued from Page 1

Then again, people are welcoming Kabila without knowing whether he is George Washington or a megalomaniac. Is this a new dark age coming for Zaire or an enlightenment?

For leaders of Zaire's political class, who oscillate between outspoken opposition to Marshal Mobutu and lucrative collaboration with him, what seems increasingly certain is that a military victory by Mr. Kabila would mean a wiping of the slate.

Zaire's leading politicians have tried to have it both ways with the rebel leader, much as they were used to in dealing with Marshal Mobutu.

From denouncing Mr. Kabila as a puppet of neighboring Rwanda at the outset of his insurgency last October, with the collapse of Marshal Mobutu's government apparently near, many have begun sending feelers to Mr. Kabila expressing their agreement on the need for change.

Throughout, Mr. Kabila has kept the couriers of Kinshasa at arm's length,

showing little sign of being flattered.

What many here say they expect is that Mr. Kabila will copy one of his principal sponsors, President Yoweri Museveni, whose own insurgency seized power in Uganda in 1979.

Mr. Museveni has restored economic growth and a measure of order to a country ravaged by Idi Amin and other past dictators, but has been suspicious of democracy.

"If Kabila takes power by force, we will go from rebellion to revolution, with all that that implies," said Roger Nkema, a Zairian banker and former senior government official. "And if Museveni is his model, that means wiping out all pockets of resistance, creating a strong central power and giving himself as much time as he feels he needs to impose his reforms."

The tragedy, many here feel, is that Zaire's political class has had ample opportunity to make things work.

Under heavy pressure at home and from his traditional Western allies, including the United States, Mr. Mobutu

decreed an end to his one-man rule in April 1990.

Much of Marshal Mobutu's power was formally stripped away from him the next year. Under a transitional program, Marshal Mobutu was to remain in office as a sort of ceremonial head of state until elections, which were scheduled for 1994.

Marshal Mobutu reneged on these arrangements, using the army to impose his own choice of prime minister. Since then, a cutoff of Western aid to Zaire and strong opposition to the president have limited his ability to govern.

At the same time, however, the Parliament, which from the start seemed more interested in debating its own salary raises and perquisites, has proved an easy mark for the president's allies, who have been able to buy off political opponents.

For months, legislators have sought to unseat the deeply unpopular Prime Minister Kengo wa Dondo. But every time a censure motion comes to the floor, one deputy said, the distribution of cash and favors is enough to persuade even some

ZAIRE: Looking to the Post-Mobutu Era

Continued from Page 1

what it called a "conspiracy of silence" over Zaire and called for urgent humanitarian intervention in the country.

[Rebel radio said fighters of the Alliance of Democratic Forces for the Liberation of Congo-Zaire were within 10 kilometers (6 miles) of Kisangani. But a regional military source said the closest rebel unit was still 40 kilometers from Kisangani and said he expected fighting for the city to begin in about 48 hours.]

The anti-Mobutu forces, who reportedly have been aided by Ugandan and Rwandan troops, hold territory within about 50 kilometers of Kisangani, a Western diplomat said.

"Kisangani will go, whether in a few days or a few weeks," he said.

As foreign envoys here exchange guesses on when the city will fall, he said, "the latest estimate I've heard is the end of March."

The diplomat said the rebels were reported to have sent unarmed troops into Kisangani and that they had been seen walking around and chatting with government soldiers.

These rebels are said to be telling troops that an assault is coming within days and encouraging them to abandon their posts. In the five-month-old war, Zaire's under-equipped, unpaid troops

routinely have abandoned towns as the rebels approached, pausing only to loot as they fled.

But Kisangani, the key transport and economic hub of northern Zaire, is where the military has concentrated its greatest resources, including foreign mercenaries who are thought less likely to surrender without a fight. Zairian newspapers say the military has sown minefields along the city's perimeter.

Still, an exodus from Kisangani has begun. Zaire Air Lines' twice-weekly flights from Kisangani to Kinshasa have been arriving packed, according to policemen at Kinshasa's airport. Travel to Kisangani has been virtually halted, tourist agencies in Kinshasa reported Monday, because the government ordered last week that no more tickets be issued for trips to the city.

"We hear that the upper class and military officers' families are getting out" of Kisangani and the southern mining city of Lubumbashi, the diplomat said.

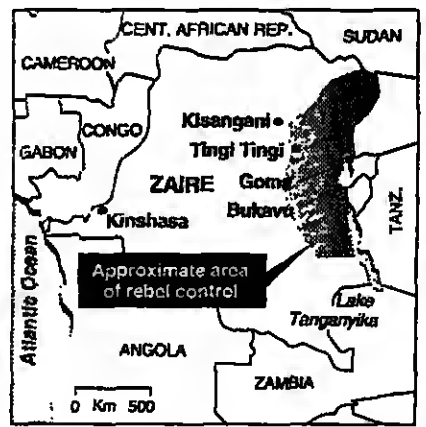
Kinshasa's citizens and newspapers openly discuss the possibility of a military coup or popular uprising if Kisangani falls. "Anything is possible; public disorder, a general military mutiny or a coup d'etat," Mr. Lokuta said.

"Zaire's top military officers are in Kisangani," a diplomat said. "They feel abandoned by the government. No government ministers have been up there to see them, and officers are resentful that government corruption has siphoned off money that should have bought ammunition."

Public support for Marshal Mobutu appears to have vanished since mid-December, when he returned from France to a jubilant reception by Zairians who apparently believed he would swiftly welcome opposition politicians into his government and permit a negotiated settlement with the rebels.

Marshal Mobutu's rejection of all compromise since then has embittered those who cheered him three months ago. Laurent Kabila, the rebel leader, "will not have to fight for Kinshasa," an unemployed local woman, Juliet Mumba, said. "We will welcome him here."

As the position of the government has become marginal, its depiction of reality here has become ludicrous. State-run broadcasts ignore the conflict rending the country. Official television led its weekend newscasts with sports reports. Radio Zaire devoted one sentence this morning to a government condemnation of the rebels, then moved swiftly to a long report on the observance later this month of International Tuberculosis Day.



POSTMAN: For Many Japanese, He Is Banker, Financial Adviser and Letter Carrier

Continued from Page 1

created boom growth for years but now appears to be holding Japan in stagnation. On many fronts, there is resistance to change. But changing the postal savings system, which Japan's leading financial newspaper has called "financial socialism," is sure to be treacherous. As one of Japan's best-known political consultants, Takayoshi Miyagawa, points out, tampering with it has long been taboo.

Leading the charge to preserve the status quo are close to 20,000 "special postmasters" such as Mr. Iemoto. They hold hereditary jobs dating back more than a century.

They have combined extraordinary service, tradition and *giri* — a word connoting a strong sense of obligation to those who have helped you or your family — to create a powerful populist network that stretches across Japan.

Why would any of the people in Mr. Iemoto's town want a change? They get better rates of interest at the post office than at banks. His service includes not only home delivery of money but regular visits by postmen to elderly people living alone and assistance to local companies.

This service translates into strong political power, informal though it may be. As government employees, the postmasters are prohibited by law from campaigning. "But special postmasters know everyone in their area, so they can just talk about the elections in their daily conversations, as part of their greetings," Mr. Miyagawa, the consultant, said.

Special postmasters have been strong supporters of the Liberal Democratic Party of Prime Minister Ryutaro Hashimoto. That means something: Each postmaster can usually deliver 20 to 30 votes, meaning that a politician whose district has 50 or 60 of them can count on more than 1,000 votes, said Kiyoshi Mizuno, a veteran Liberal Democratic

politician and former cabinet member, now Mr. Hashimoto's top aide in charge of administrative reform.

Such a voting bloc helped keep the postal-savings system out of the final draft of Mr. Hashimoto's plan for privatizing Japanese institutions, released in June 1996, although it originally was included, Mr. Mizuno said.

Whether it will continue to protect the postal savings system is the question. Mr. Miyagawa said he believed it would, at least for the short term.

Bankers, who view the system as unfair competition, are making another run at it. In recent weeks, criticism has come from some top economists, politicians and the Nihon Keizai Shimbun, Japan's leading economic newspaper. The paper recently advocated splitting the postal service — which requires no taxpayer money for its operations — into regional groups, which would then be privatized.

Many postmasters, like Takao Harada, 49, are fourth-generation em-

ployees. His post office, in the industrial town of Tonda, near the Inland Sea, is on his father's property and next to the house where his father and mother still live. His father, Asao Harada, 80, paid for the construction of the post office and in fact owns the building and rents it to the government.

The postmasters are part of a system that dates to 1871, when reformers trying to pull Japan out of feudalism and into the modern age decided the country had to have a postal system. Short on money, they asked wealthy merchants and farmers to pay the costs in return for status and rights to pass positions on to their sons.

The postal savings system was set up four years later, in 1875, borrowing a practice common in Europe. The goal was to promote a culture of savings when Japan's tradition was "don't carry money overnight." The money on deposit helped pay the cost of building a national army as the feudal samurai class was phased out.

Later, the government used the postal savings system and a postal life-insurance program, established in 1916, to raise money for the country's war efforts. After World War II, the funds were directed toward rebuilding Japan.

Though the system was set up to end feudalism, in the 20th century it has helped a type of feudalism survive. Like ancient lords, special postmasters pass their jobs on to their children. The local community becomes in effect a fief, granted to the family in perpetuity to live off of and to serve.

Today, special postmasters head 18,654 of Japan's 24,587 local post offices. Their salaries averaged about \$90,000 last year, but they vary according to age and commissions.

Such pay scales are coming under fire these days. But special postmasters say they don't make much, considering all the hours they put in. They also sit on community boards, organize weekend festivals and field calls at home.

issue, cash or deposit pension checks.

In Central and Eastern Europe, where commercial banks are not well represented outside the main cities, postal banks provide an unparalleled and easily accessible network that is well suited to customers who depend largely on cash rather than checking accounts.

An increasing number of post offices are introducing banking services, because, according to specialists, there is a cost advantage in combining postal and banking operations under one roof. As government-owned entities, the post offices provide confidence and a reassuring image for ordinary people, according to Thomas Leavay, director general of the International Bureau of the Universal Postal Union.

A spokesman for La Poste in France said the only thing that the postal service cannot offer is consumer loans, but it offers a full range of financial services from checking accounts to life insurance policies at its 17,000 offices — one for every two communities in the country. In 6,000 towns and villages, the post office is the only place offering financial services, the spokesman said.

One of the most widely used services offered by European post offices are so-called giro accounts, which enable direct transfer of funds and conventional transfers by checks. The postal banks also

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SPY: Was Iran the Target?

Continued from Page 1

istration," the official said, but added, "It is not settled yet."

In U.S.-German relations, matters involving Iran have been particularly sensitive because Bonn has been expanding its contacts and relationships with Tehran, while Washington has been trying to isolate and disrupt the Islamic government there. The clash in approach was illustrated when CIA officials were sharply critical of the head of German intelligence when he met with his counterpart from Iran, according to a White House official.

CIA officials in Washington said they did not understand why the CIA officer who was told to leave was selected, because his activities were not clandestine but carried out openly, sources said. The American sources suggested that domestic politics in Germany were involved in the apparent disclosure to Der Spiegel, which carried hints of U.S. economic spying on Germany.

At one point, the CIA's largest station overseas was Germany, with installations in Frankfurt, Munich, Hamburg, Berlin and Bonn, according to former CIA officials. In those days, U.S. intelligence operations against the Soviet Union and Eastern Europe were undertaken with and without Bonn's approval. With the end of the Cold War, the CIA has reduced its presence in Germany, but not as much as Bonn would like.

Although U.S. and German intelligence agencies continue to carry out some intelligence activities together, the United States has its own unilateral interests and targets that it wants to pursue, sources said. Negotiations to come to some new understandings between the CIA and Germany's intelligence services have been under way for some time.

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Swiss Airing

Uncomfortable as they are with the pressure and publicity, the Swiss are working their way through grave moral dilemmas that they avoided during and long after World War II. The question is at whose cost and at what cost did Switzerland purchase, from Nazi Germany, its successful and profitable wartime neutrality. The most painful part of the answer is at the considerable cost of imprisoned and eventually annihilated Jews. The electorate as a whole has yet to register its full reaction. However, the country's political and banking leadership is, with some backsliding, moving ahead.

Private banks and the national bank have created a \$140 million fund for aging Holocaust victims or heirs whose deposits in Swiss banks had disappeared. An international panel led by Paul Volcker is searching for assets deposited by Holocaust survivors.

A commission of Swiss and foreign historians is examining central bank purchases of Nazi gold, plus the fate of 30,000 Jewish refugees turned back at the Swiss border. The other day a "Swiss Foundation for Solidarity" was set up to make hundreds of millions of dollars available every year for victims "of poverty and catastrophes, of genocide and other severe breaches of human rights, such as of course

victims of the Holocaust," as Swiss President Arnold Koller described this immensely promising project.

It is late but not too late for the Swiss to be asking, in the words of Mr. Koller, "whether and to what extent all Swiss citizens managed to satisfy the high moral demands during the war period." Wartime choices — choices made under great pressure — cannot be remade, but they can be reviewed squarely. The purpose is not simply to respond to critics, although there is merit in an honest response to critics. The purpose is to allow the Swiss people a thorough knowledge of what they did.

Not everyone in Switzerland agrees. A nationalist — and what Americans would call an isolationist — right objects to any suggestion that Switzerland played an ambiguous or dubious role toward Nazi Germany and depicts international interest now as a Jewish conspiracy. Such objections may yet push the country into a referendum — a familiar Swiss device — that conceivably could hunt the government's efforts to come retrospectively to terms with the Holocaust. It would be a great setback for the belated and altogether worthy if difficult effort of the Swiss to come to terms with their own history.

—THE WASHINGTON POST.

A Chinese Puzzle

So now we know that people inside the White House knew about the possibility of Chinese government political contributions for congressional races in June 1996. President Bill Clinton was told last month, which means that he has had several weeks to ponder the possibility that some of his aides knew months ago that China might be trying to funnel tainted contributions into American political campaigns.

It would not have taken much of a leap to wonder if China was doing so through such personal friends of Mr. Clinton as John Huang, Johnny Chung and Charles Yeh Lin Tze. These revelations from the White House press secretary make Mr. Clinton's no-problem attitude last Friday seem all the more detached from reality.

But these latest disclosures send ripples far beyond the central question of Mr. Clinton's disinterest in where and how he got the money to finance his re-election. What emerges is yet another picture of managerial chaos among the FBI, the National Security Council and the president and his close advisers.

Mr. Clinton expressed irritation on Monday that the FBI had told NSC staffers to withhold sensitive information from their superiors, a charge that the FBI later denied in an extraordinary challenge to White House credibility. Whichever side is telling the truth, it is a serious lapse when reports that a foreign power might be trying to interfere with the American electoral process failed to reach the president.

In any event, the strains, miscommunication and immediate blame-throwing that broke out between Mr. Clinton and the FBI mean that only an independent counsel can conduct the investigation. Attorney General Janet Reno and her subordinates in the FBI, including the director, Louis Freeh, clearly cannot direct an inquiry that now includes the issue of whether the bureau misinterpreted the president or the NSC dropped the ball.

There are, of course, reasons why the FBI agents in mid-1996 might have wanted to withhold information about the Chinese connection from Mr. Clin-

ton. They would have taken such a precaution if the FBI felt that it had to shield intelligence sources from political operatives in the White House, or if agents were already investigating the Clinton campaign and its efforts to open a pipeline of Asian political money.

Senator Dianne Feinstein of California says she is asking Mr. Freeh for a full explanation of circumstances behind the puzzling 10-minute briefing she got from FBI agents last June. Mr. Clinton says he has asked his lawyer and his national security adviser, Samuel Berger, to find out from Mr. Freeh why he was kept in the dark. That seems logical, but clearly someone is needed to referee the compelling questions of national interest and campaign law.

Mr. Berger, for example, was an active participant in some White House political discussions. If he learned of the potential Chinese contributors earlier than the stated date, that would have serious implications. Similarly, the Senate cannot vote on the confirmation of the former national security adviser, Anthony Lake, as director of central intelligence without assurances that he, too, was out of the loop on the warnings about Chinese involvement.

Disclosures about a Chinese plan to influence the election, first reported by The Washington Post, have taken the fund-raising scandal to a new level of seriousness and clarity. Last Friday Mr. Clinton suggested that only those people who questioned all political contributions were curious about the financing of the 1996 campaign. Now it is clear that any citizen with a reasonable interest in the efficiency of the federal investigative agencies and the integrity of the electoral process will want a full account of what went on.

Even Ms. Reno's flyspeck reading of the independent counsel law must see that under its conflict-of-interest provision an outside authority is needed to sort this mix of funny money, mismanagement, secrecy and possible malfeasance.

—THE NEW YORK TIMES.

Other Comment

A Europe of Old Roots

Too much has happened to Europeans during the last 500 years to make it possible, even if it were desirable, to restore a Carolingian cultural and political unity on the model of Western Christendom. Few people today need reminding that societies are held together not by abstract rational principles or convenient administrative arrangements but by deeply held habits of consensus and belief.

There is an irrational dimension to all human relationships. Past regimes all recognized and exploited this truth, but in exploiting it they also tamed it and made it socially productive. Attempts to ignore it, and lay out society on new, just and rational principles, have produced only wilder and more terrible outbursts of irrationalism.

So we Europeans must understand our past if we are not to repeat it; understand why we have been a land of war if we are successfully to remain a land at peace. That is why I am always uneasy when I hear our American friends talk about "a new European architecture." Peoples are not building blocks; neither are we building on an open-field site. If there has to be an analogy, let it be that of a garden.

The peoples of Europe and their institutions should be regarded as distinct and living organisms, rooted in the particular soil of their regions. Weeds must be watched for and eradicated. And as with all gardens, the work of cultivation is never-ending.

—From "Land of War, Land of Peace" by the British historian Michael Howard, in the winter issue of the Wilson Quarterly.

U.S. Policy Toward China Is on the Right Track

By Laura D'Andrea Tyson

The writer, a professor of economics at the University of California at Berkeley, was chairman of the White House Council of Economic Advisers and of the National Economic Council in the first Clinton administration.

depends, however, on a realistic assessment of the means at our disposal. Critics too frequently overlook this distinction between means and ends.

Consider the administration's often criticized support for renewal of China's most-favored-nation trading status in each of the last four years.

Some critics allege that the White House has sacrificed human rights goals for crass commercial ones. Others have gone even further and argued that the administration's trade decisions have been bought by the lobbying efforts of American multinationals or of Asian business interests.

Both accusations are wrong. Improving human rights conditions is an essential part of our long-term goal. But the administration's policymakers, supported by China experts at home and abroad, believe that

withholding most-favored-nation status for China would not promote, and would even impede, achieving this objective.

Nothing in China's history or in the history of economic sanctions suggests that revoking the country's most-favored-nation trade status — which would amount to imposing unilateral economic sanctions on Chinese goods — would impel Beijing to ease its human rights stance. Nor have China's other trading partners been willing to join the United States in multilateral sanctions against the Chinese.

Certainly America could hurt China's economy by withholding its most-favored-nation status, but to do so would undermine our long-run goal for at least two reasons.

First, it would cause a dramatic deterioration in our overall diplomatic relations with China and in our ability to ne-

gess to withhold favorable trading status over human rights violations. But a dispassionate assessment of means explains away this anomaly.

The threat of specific trade sanctions has proved effective in getting China and many of our other trading partners to stop violating trade agreements. Such sanctions can be fashioned to be commensurate with the economic costs that such violations have imposed on American businesses.

Consider the dispute over the protection of intellectual property. Precisely crafted sanctions encouraged the Chinese to respect the rule of law established in last year's bilateral agreement on intellectual property and in multilateral standards of copyright protection, without jeopardizing our ability to negotiate with China on other issues at the same time.

By contrast, revoking most-favored-nation status would be a blunt instrument that would bring disproportionate harm to China's private ventures.

The most recent criticism of President Bill Clinton's policy relates to the ongoing negotiations over China's admission to the World Trade Organization. The latest round of these negotiations — concluded in Geneva last week amid promising signs from the Chinese that they are willing to meet the major conditions that the administration laid out in a blueprint several months ago.

This blueprint reflects a firm administration resolve, shared by China's other trading partners, that it not be admitted until it meets sound commercial conditions comparable to those met by other member countries.

These conditions include commitments on improved access to China's market, greater openness in its trade and investment rules, including information on the extent of subsidies to China's state enterprises, and an end to requirements that foreign investors export the products they make in China.

As a member of the WTO, China would have the same responsibilities to honor the rules of international trade as its trading partners. This would curtail the power of its state decision-makers who resist opening markets, and it would strengthen the hand of economic reformers.

At the same time, we would have a powerful multilateral forum in which to resolve trade disputes with China, thereby reducing the pressure for high-stakes, bilateral trade confrontations that threaten to destabilize the entire United States-China relationship.

In short, China's admission to the World Trade Organization — on commercially acceptable conditions — is probably our single most effective means of shaping a more open, market-oriented China.

Unfortunately, the recent accusations of an unholy connection between the Clinton administration's China policy and Asian campaign contributions threaten to obscure this reality. Some members of Congress are now proposing further, unspecified conditions on China's admission to the WTO, as well as requirements that Congress be given the right to "review" China's application before the administration can approve it.

Both of these proposals are misguided. They could delay or even scuttle China's application to the WTO, contaminate other aspects of our relations with China and call into question America's broader commitment to the trade organization.

The administration's approach to China is based on a clear understanding of our national interests and of the tools at our disposal. Our progress with China has been disappointingly slow in the short run, but we are on the right track for the long run. Irresponsible speculation about the role of campaign donations cannot be allowed to undermine responsible policy.

The New York Times.

Let's Get Tough on International Corruption

By Maria Livanos Cattani

PARIS — Public resentment of international corruption has never been stronger. Governments and business should work together to halt its progress and at least make bribery a marginal and hazardous practice, even if they cannot stamp it out altogether.

Corruption is wasteful and both obstructs and distorts trade. In country after country it has destabilized governments and discredited political establishments. It deprives the deserving of their rightful reward and nourishes political extremism.

There is real momentum behind the drive against bribery in international trade and it must be maintained. Business is determined to play its part.

We need laws that allow enterprises to be reasonably confident that incorruptibility will not hamstring them when they compete in the international marketplace. The consequences of being a lone knight in shining armor can be failure to win foreign contracts, the shutting down of production lines and massive job losses.

For business, therefore, the international coherence of legislation as well as vigorous enforcement are keys to success in suppressing corruption. Regrettably, despite recent international initiatives, business is still confronted with a maze of

differing national regimes ranging from the official blind eye, and even connivance at the highest level, to strict enforcement of tough anti-corruption laws.

Particularly in this digital age of instant communication, we reject the argument that what would be morally unthinkable in one country must be accepted as part of the way of doing things in another. We are troubled by the tilted playing field on which international business now has to operate.

Yet much that is positive has happened in the past couple of years. On the government side, leading industrial countries belonging to the OECD agreed in 1994 that they should suppress bribery in international business transactions. Last year they called for a ban on what amounts to officially sanctioned corruption — the tax deductibility of bribes.

The International Monetary Fund and the World Bank are committed to the anti-corruption drive. They have the muscle that comes from funds that can be withheld.

How to keep free of corruption and remain competitive is high on the agenda in corporate boardrooms. The International Chamber of Commerce introduced

the first business code to combat extortion and bribery in international transactions in 1977. It is now urging its thousands of members all over the world to apply an updated and strengthened set of rules.

The idea is that the ICC's rules — which have been expressly endorsed by our Council representing business in 130 countries — should be written into internal corporate codes of practice that employees are required to observe.

For business and governments alike the important thing is the will to enforce. We call upon governments to follow through on the recommendations laid down by the OECD. Specifically, that means criminalizing the bribery of foreign public officials and eliminating tax deductibility for all bribes, foreign and domestic. Tax deductibility is little more than a government subsidy of improper activities. It must be stopped.

The tide is starting to turn in the fight against corruption, but decisive steps are needed. If business and government act in concert, we can win this battle.

The writer is secretary-general of the International Chamber of Commerce. She contributed this comment to the International Herald Tribune.

Rethinking Humanitarian Aid in the New Era

By J. Brian Atwood and Leonard Rogers

Mr. Atwood is administrator of the U.S. Agency for International Development. Mr. Rogers is the acting administrator of its Bureau for Humanitarian Response. This is the first of two articles.

Some feel that the dead hand of colonialism still touches many countries as they struggle within artificial borders and as contrived governmental structures collapse.

Some feel that the breakup of the Soviet Union inspired nationalist passions around the world. Some see the emergence of a new era of conflict arising from Islamic fundamentalism.

Whatever the answer — and there is merit in all of the above

Aid helped those who committed genocide to control these people for two years.

— It is significant that superpower competition no longer modulates events in smaller countries. So conflict becomes crisis, and the world must deal with intractable complex emergencies as best it can.

The human costs in terms of lives lost and innocent suffering have been extremely high. So have the financial costs — as much as \$6.5 billion per year by some estimates.

As the number of complex emergencies has risen, sharp differences have begun to emerge among the government agencies, international organizations and private voluntary groups which manage aid.

The crises currently dividing the international humanitarian community are in North Korea and eastern Zaire. There are desperately needy people in both places, there are complex political issues in both, and the mix presents difficult choices for American policymakers.

In North Korea, Andrew Natsios, who ably headed U.S. disaster relief operations in the Bush administration, and Representative Tony Hall, who in many ways is the conscience of U.S. humanitarian assistance, have both called for immediate food aid. They believe that the food should be guided by the experience of Ethiopia and proceed without regard to other U.S. national interests.

But North Korea is no Ethiopia. There are good reasons to proceed with caution —

the formidable military capacity of the North Koreans; the need to assure ourselves that food is not diverted to support that military force; and the need to assure ourselves that we can monitor the distribution of our food to assure that it reaches the intended beneficiaries.

Most important, the crisis in North Korea is not the result of some natural disaster such as floods or drought, nor even of ethnic or political conflict. The World Food Program estimates that only 15 percent of the current shortfall of 2 million tons of food results from floods.

The remainder results from long-term economic problems. North Korea faces perennial hunger until there is systemic change in its economy.

After careful consideration and consultation, the United States has decided to join with others and provide North Korea with \$10 million of food aid. But we are under no illusions that this modest contribution will solve North Korea's food security problems. The humanitarian needs of the North Korean people will be met only if their government takes significant steps toward reform.

America, Japan and most of all South Korea stand ready to help in this extremely difficult environment: resources are not the problem. U.S. diplomacy will be more important to a successful outcome than our humanitarian or development aid.

In eastern Zaire, Emma Bonino, the ardent European Union commissioner responsible for emergency aid, has pushed for the United States to provide immediate and massive assistance to hundreds of thousands of refugees from Rwanda and Burundi. There are no doubt many hungry people in the forests of eastern Zaire.

There is also real need to consider the safety of humanitarian aid workers.

Most important, however, we must heed the lesson from an earlier phase of this disaster. We must not let our humanitarian aid be manipulated as it was in the refugee camps along the Rwandan border.

It now seems clear that in those camps more than a million people were controlled against their will by the perpetrators of genocide in Rwanda. When they got the chance, most of the

refugees voted with their feet and returned home.

Shocking but true, the provision of humanitarian assistance by the United States, the European Union and others helped those who committed genocide to control these people for more than two years. That never happened in Ethiopia.

We will provide assistance to the needy women and children currently in eastern Zaire, but only if we can ensure that our food reaches those in need.

At the same time we recognize that the humanitarian interests of all the people of the Great Lakes region are best served by political stability and ethnic reconciliation. Aid can help, but diplomacy and political negotiation are essential.

Are North Korea and eastern Zaire isolated cases? No, in today's changing world there are many ethically difficult humanitarian crises.

For example, in Afghanistan the United States is asked to provide assistance in areas controlled by Islamic fundamentalists who insist upon the subjugation of women.

In Liberia, starving people ask the international community not to deliver relief food because they are being held by factional fighters as bait to attract just such assistance.

New approaches to humanitarian aid are needed.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Corrupt Police

NEW YORK — City Magistrate Herman Kudlich has contributed an open letter to Mr. Theodore W. Roosevelt, President of the Police Board. The magistrate had made a complaint to the Board of the misconduct of a member of the force. The complaint was returned as not justified by the facts. The Magistrate now replies that hereafter he will do his own investigating and adds that "dishonesty and corruption are rampant in the Police Department" and there are "men in the force given over to dishonest practices, such as blackmail." These men, he said, "might be disciplined by their superiors if the latter were bent on branding dishonesty as it deserves."

1922: Rebel Is Invited

NEW YORK — Just to prove that old scores have been wiped out, Emilio Aguinaldo, once

Filipino dictator and insurgent general-in-chief, upon whose head rewards have been offered by Spain and the United States, has been invited by the United States War Veterans' Association to be the guest of honor at the veterans' annual meeting in Los Angeles next summer. The noted rebel chief, who lives as a simple farmer near Manila, has accepted the invitation.

1947: Tel Aviv Protest

JERUSALEM — Labor elements in Tel Aviv are accusing Mayor Israel Rokach of open cooperation with the British and of affronting the dignity of the Jewish community by "begging on his knees" for small concessions from the Military Governor, Major General Gale. Labor circles supported by communal settlements were demanding that Rokach "cease flirtation with the British and show more backbone."

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OPINION/LETTERS

How to Kick the Money Habit

By David S. Broder

WASHINGTON — The White House rationale for the questionable 1996 campaign fund-raising practices is more revealing than its authors seem to realize. Take their arguments at face value and you will see why incumbents of either party are not likely to allow major changes in this system.

What President Bill Clinton and his assorted spokesmen have been saying is this: We Democrats got our clocks cleaned by the Republicans in 1994 and they were gearing up to outspend us again in 1996, as in fact they did. So we cranked up the money machine in earnest. Some folks decided for reasons of their own to help us out. Some of them were shady, and we should have put a finer moral screen on their contributions.

But — and this, Clinton & Co. insists is the key point — nobody has proved yet we did anything improper in return. And, remember, please, that we weren't doing this for ourselves. We were doing it to save those millions of people whose lives would have been ruined if the Republicans were running everything in Washington.

Therefore despite the embarrassment of having to return \$3 million so far to some particularly sleazy characters, despite the knacks they're getting for the hospitality they lavished on these suspect donors, despite the rule-bending involved in solicitation calls from the White House by the vice president and a \$50,000 check being received at the White House by the first lady's top aide, despite all this press furor, they are proud — proud — of what they did.

Better to stand and fight than

capitulate to those wicked Republicans, they say.

When I remark that this rationale is more revealing than they realize, what I mean is that this is the very sort of mind-set that has made it impossible to get real change in the campaign fi-

Both parties lambaste sleazy campaign practices, but neither makes any real move to change. The answer is a bipartisan commission.

nance system for the last 20 years.

In all that time, there has never been a moment when one party or the other — and often both — could not discover a better reason to exploit the opportunities the present system allows than to change it in any basic way.

Rarely a day goes by that President Clinton and Vice President Al Gore do not urge Congress to pass a sweeping campaign finance reform bill. But when the Democrats controlled the White House, the Senate and the House of Representatives in 1993-94, no campaign finance bill ever reached the president's desk. The many House Democrats who depend on union political-action committees for their biggest contributions did not want to accept a

ban or severe limitations on PACs that senators, who are less dependent on PACs, were ready to write. Feminist Democrats and their supporters insisted that Emily's List — a wildly successful machine for bundling contributions for female Democratic candidates — be given special protection.

Republicans, for their part, have wanted union spending curbed — but not much else. George Bush vetoed a "reform" bill he rightly said was tilted to the Democrats, and the last Republican Congress never passed any legislation in this area.

The reality is that most incumbents of both parties — for all that they may white about the burden of fund-raising — prefer the system under which they were elected to any untested scheme that might replace it.

Another reality is that it is damnably difficult to devise a system that will effectively reduce the role of money in politics and still not trample on constitutional rights to express political views. The difficulty of striking a balance — and rising above the parochial interests of incumbents — makes it sensible to consider creating a blue-ribbon bipartisan commission to frame a proposal Congress could vote up or down, but not amend. Former Senator Bob Dole offered that idea several times and it is embodied now in a bipartisan proposal originated by Representative Rick Warren, Republican of Washington.

It is likely the focus on sleazy campaign practices will force the passage of something called the Clean Elections Act of 1998.

But without such a commission, it may well be cosmetic le-



islation. You could probably get a unanimous vote in the House and Senate today for a provision that would impose a federal death penalty on any foreigner giving even a \$5 contribution to an American candidate.

They would love to congratulate themselves on their virtue and be able to tell their constituents that they had slammed the door shut on those despicable aliens' tampering with the integrity of our American elections.

And then they could go back to business as usual. Republicans and Democrats alike.

The Washington Post.

Medicine as Commodity: A Dangerous Rx

By Richard G. Williams

WASHINGTON — I was a physician for more than 20 years. Now I am a provider. "Provider" is the term used by health maintenance organizations to refer to physicians and other health care professionals. They attempt to suppress the very word "physician," and for good reason: It has connotations of ex-

they are ready. It is sometimes difficult or impossible to refer patients to the appropriate specialist. A good deal of time is wasted debating medical care with representatives of managed-care companies. These individuals generally have no medical training, and their primary concern is not the patient but the financial well-being of their company.

I have noticed something about these "managers": They all want a piece of my authority, but they want no part of my responsibility. If I cut corners in an attempt to satisfy them and the patient suffers as a result, it is the patient's problem and my own.

Good medical care is threatened not only by the above constraints but by the capitated system of reimbursement. Under this system, the physician is paid a small monthly stipend for each patient assigned to him, regardless of what, if any, services he provides to that individual.

Capitation not only fails to reward high-quality care but effectively penalizes it. Quality takes time, and the doctor who devotes time to his managed-care patients will assuredly suffer for it financially. The physician whose reputation is such that sicker patients are attracted or referred to him is in particular trouble. There is a problem with a system that makes the sick patient a personal financial threat to his own doctor.

The provider's final problem, then, is simply making a living. I have a busy and previously successful internal medicine practice. An hour of my time is now worth approximately 60 percent of its value several years ago.

It is the apparent intent of those who drive managed care that medicine be reduced to a commodity, and a cheap commodity at that, to be bought, sold and manipulated solely for the financial benefit of their industry. In the San Francisco Bay area, these goals have already largely been achieved. I believe this portends very serious problems ahead, not only for the profession but for the future of patient care and the well-being of the population at large.

The writer, who practices internal medicine in the San Francisco Bay area, contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Expatriate Schooling

Regarding "Harsh Math of Overseas Transfers: Employers Subtract School Aid" (Money Report, Dec. 14):

It has been documented that the number one reason for failed foreign postings is poor family adjustment. To assume that most young children can easily adapt to "local" foreign schools — and thus assume that international schools are a luxury — is mis-

leading. Contrary to popular belief, all children are not flexible. As a veteran expatriate (Norway, Japan, France and Belgium) and a therapist who has counseled many other expats, I am all too aware of children who have daily stomachaches and tears for three months or more while adjusting to local schools.

One of the determining factors of a positive adjustment to expatriate life is the type of welcome the family receives. The interna-

tional school community can provide a warm welcome and also can serve as the community around which the family's social life revolves. This expat social life is not another luxury but a necessary support system that most families need.

Not all international schools offer a positive experience, and not all local schools will produce stomachaches. But corporate human resource managers and expatriate parents should be aware

of all facets of the issue. Parents should be able to choose which school environment is best for their children.

Finally, saying that there is a belief among human resource managers that expats are happier and more productive if integrated fully into the host-country culture may apply in some cases, but for the typical expat family this can present overwhelming stress.

PAULA KUGELMAN,
Randolph, New Jersey.

China's Population

Regarding "Albright, in China, Upholds Rights" (Feb. 25):

The article says that Deng Xiaoping, at the pinnacle of power, ruled over a quarter of the world's humanity.

This is not accurate. China's population today makes up roughly one-fifth of the world's population.

OTTO H. NOWOTNY,
Basel, Switzerland.

BOOKS

THE KISS: A Memoir

By Kathryn Harrison, 207 pages, \$20, Random House.

Reviewed by Jonathan Yardley

IT IS a measure of the times that this book — slimy, repellent, meretricious, cynical — is enjoying the rapt attention of the gods of publicity. The chattering classes of Manhattan and the Hamptons have homed in on it with the unerring instinct of swine slopping in swill. It is the Flavor of the Mouth, so those of us in the boondocks are expected to belly up and smile.

No way. "The Kiss" is trash from first word to last, self-promotion masquerading as literature. It is the "memoir" of Kathryn Harrison, who claims to have had a sexual relationship with her father and who has made that the central element of this book.

You may wonder, since Harrison has already published three novels of transparently autobiographical import, why she chose this time around to tell her story as non-

fiction. The answer, given in a Q&A supplied to reviewers by her publisher, is revealing: "There was an internal imperative to deal with the subject now, and that need was confirmed by my husband Colin's and my desire that it be published as soon as possible — before our children were any older and more aware of the media around them."

From this one must deduce that Harrison fancies books to be mere e-mail, gossamer things that, once read, vanish into cyberspace, never to be heard from again. Just get this out now, cash in on it today, and the poor innocent children will never know anything of it. So we apparently are to believe.

That this is self-serving bogwash needs no elaboration. The publication of "The Kiss" has nothing to do with shielding the young and everything to do with exploiting the current infatuation with confessional memoirs. The juicier the confession the hotter the sales, so the orthodoxy of the hour has it, and

Kathryn Harrison means to out-juice everyone.

Harrison and her apologists want us to believe that from dark personal experience she has produced a work of art notable for its "bravery," a book that is "ironic and compassionate," "thoughtful, disciplined," "uncanny, heartbreaking." Those are some of the words used by Tobias Wolff, Mary Karr, Robert Coles and Mary Gordon, all of whom have supplied smarmy blurbs for this book and all of whom as a consequence should be sentenced to perdition eternal. If "The Kiss" were indeed art, perhaps we could find a way to forgive its offenses against familial privacy and ordinary decency, but there is not an artful word in it. Instead it is chockablock with romance-novel clichés and mannered, heavy-breathing minimalism.

The story, such as it is, begins with the divorce of Harrison's parents when she was a baby, continues through a childhood spent largely in the custody of her maternal grandparents along with irregular connections with her indifferent mother, then climaxes — sorry, no other word will do — with the reappearance of her father and his seduction of the not-unwilling her. Its essential elements are not graphic sex — in that department Harrison is coy rather than revealing — but a revolting mixture of self-pity and narcissism.

Poor little her. "I grow afraid of the dark..." I wake screaming. "I am, as I have been from my birth, the inevitable compromise of my parents' privacy." "My days are as long as despair can make them." "Her mother's,

eyes, when they turn at last toward me, are like two empty mirrors. I can't find myself in them."

It's not for lack of looking. She may be a well of self-pity, but Harrison is a world champ when it comes to self-adoration. As Daddy begins his come-on, "His hot eyes consume me." Those words were written, mind you, not by Danielle Steel or Judith Krantz but by the reigning darling of the New York literary world. So were these: "Whatever I do... enthralls my father. 'He looks at me with his hungry eyes.'"

"How can a daughter of mine be this beautiful?" he murmurs. And — here comes the line that retired the World Narcissism Cup — "in me he found a creature more worthy of worship than the Creator."

As for Harrison, her own bungy eyes seem focused on the bestseller lists. This confession isn't from the heart, it's from the pocketbook. She talks to her publicist about "the implicit dishonesty of keeping a secret such as this," but that is 100 percent humbug. The real act of dishonesty is this shameful book, which exploits the private life of the author's family — if, by the way, anything herein actually happened as she claims it did — for personal gain and talk show notoriety.

The temptation to go on and on about this book, piling one abusive paragraph upon another, is extreme, but must be resisted. Space is short. Let's save it for something worth my words and your time.

Jonathan Yardley is on the staff of The Washington Post.

BEST SELLERS

New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.		
FICTION		
Week	Last Week	On List
1	2	3
2	1	6
3	3	6
4	4	5
5	5	4
6	6	20
7	7	12
8	8	12
9	9	13
10	10	24
11	11	4
12	12	4
13	13	4
14	14	8
15	15	8
NONFICTION		
1	1	4
2	2	25
3	3	1
4	4	1

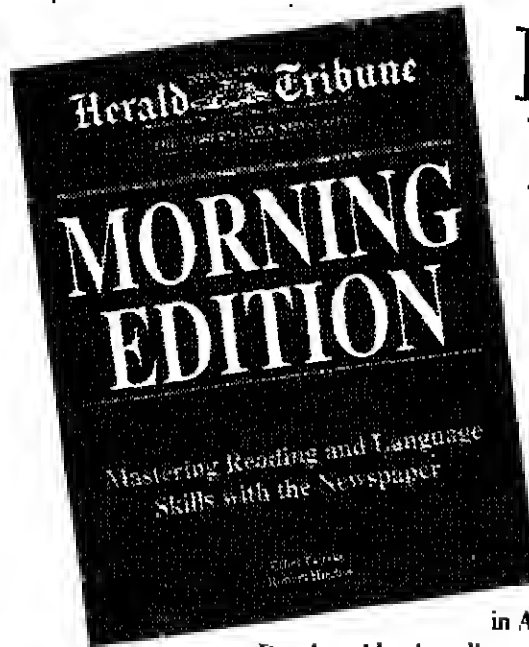
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TOMORROW
SCIENCE



Notorious B.I.G., who was shot to death in Los Angeles as he left a party.

For Another Rapper, A Violent Demise

By Jon Pareles
New York Times Staff Writer

NEW YORK — On the West Coast, there was Tupac Shakur. On the East Coast, there was Christopher Wallace, a.k.a. the Notorious B.I.G. and Biggie Smalls. Now both are dead after drive-by shootings.

The two rappers were bitter rivals, as Shakur accused Wallace of copying his style. Both were associated with hip-hop moguls who had their own coastal feud: Shakur with Marion (Suge) Knight of Death Row Records and Wallace with Sean (Puffy) Combs of Bad Boy Entertainment.

Despite their differences, both purveyed a similar message. They rapped about a life of gun totting, drug dealing, easy women and endless battles for dominance. That life, spawned by inner-city poverty, was titillating and dramatic, but it was inevitably suicidal, with violence begetting violence.

The Notorious B.I.G., who was killed early Sunday in Los Angeles, said death was always on his mind. His first album, released in 1994, was "Ready to Die" (Bad Boy/Arista); his second, a double album due out on March 25, is called "Life After Death." On "Ready to Die," he described himself as a former drug dealer and stickup man who had turned to

rapping. "Used to sell crack so I could stack my riches," he rapped. Actually, he did not have the riches yet. In the March 8 issue of *Billboard*, he recalled, "When I made 'Ready to Die,' I was broke and depressed."

But he fantasized a mixture of success and anxiety — part exploitation, part warning. He recalled the mundane details of bagging, transporting and selling drugs; he boasted about sexual conquests and mourned a murdered girlfriend. The album matter-of-factly recounted the shootings and jailings of friends, and it was laced with paranoia, as the narrator's newfound riches made him a target. As the album ends, the narrator commits suicide.

Song titles for his second album include "Notorious Thug," "Ten Crack Commandments" and "Niggas Bleed Just Like Us."

On stage, Wallace performed with a show of opulence, settling his 280-pound frame into a throne-like chair, a pasha of rap who asserted that he would defend himself against all comers.

Like Shakur, the Notorious B.I.G. clearly perceived the hazards of living by the gun. On "Ready to Die," both his lyrics and his ominous production revealed his misgivings. Many gangsta rappers prophesy their own deaths with bravado or fatalism. Sometimes that prophecy comes true.

Women's Work: Comedy and Morality

By Michael Billington

LONDON — Women dominate the agenda this week: two new plays, from April de Angelis and Marie Jones, plus a major Stratford production from one of the best directors in Britain, Katie Mitchell.

April de Angelis's "The Positive Hour" (at the Hampstead) is a witty, intelligent comedy about a group of women who, in the wake of the feminist revolution, are all struggling to give meaning and definition to their lives. The play implies that we are all, in an age shorn of idealism, floundering in the dark.

De Angelis's heroine, Miranda, is a social worker and former '60s radical. But her marriage to a wan academic who can't finish his book on Hegel is in as much of a mess as the counseling group she runs for a trio of disturbed women: Emma is a failed painter dabbling in sadomasochism, Paula is a battered single mother trying to retrieve her fostered child, and Nicola is a nervous student struggling to escape a lunatically possessive father.

It sounds grim and gritty but, in fact, de Angelis depicts the moral muddle of modern life with engaging lightness. She is clearly saying that the Hegelian belief in the progress of reason and the

political idealism of the '60s are dead in the water. Her most positive character, in fact, is the world-class mum who takes the law into her own hands.

But de Angelis dissects our current malaise with a mixture of compassion and wit; Emma's private encounters with a man in a leather mask are hilarious, with both parties behaving with studied middle-class decorum. Max

bruised figure still reeling from her husband's defection with a younger woman. Her chum, Anna, also puts a brave face on the fact that her own marriage is entirely devoid of passion. Through their encounters with a whimsical waiter, who takes on the identity of the various men in their lives, the two women resolve over a weekend to fight for their right to get all the sex and love they can.

What Jones has to say is fine. But her play, a huge hit on tour in Ireland and Scotland, looks a bit out of place in the West End, where its endorsement of middle-aged sex seems to be preaching to the visibly converted. The writing also has the thinness of sitcom rather than the substance of real drama. But the play gets by, just about, on its single-minded pugnaciousness and on Pam Brighton's ebullient production, in which all three characters — played by Jones, Eileen Pollock and Deslie Gallagher — burst into song at the drop of a hand-mike.

THE most ambitious venture of the week, however, is Katie Mitchell's two-part production of "The Mysteries" at The Other Place in Stratford-upon-Avon. In the 1980s these 14th-century guild plays, taking us from the Creation to Christ's resurrection, were given a famous promenade production by Bill

Bryden at the National Theatre. Now Mitchell, working from a new adaptation by Edward Kemp, has given them a totally fresh look emphasizing human responsibility.

Even God, superbly played by David Ryall, is a recognizably human figure who chuckles delightedly at his creation of the manifold riches of the earth and who, after the fall of man, is constantly torn between mercy and vengeance. And, after the stirring Old Testament first part, we get the New Testament second part where Jesus is played by Paul Hilton as an impulsive, impassioned figure who, since he constantly greets his disciples while balancing upside down, might best be described as headstrong.

Mitchell directs with miraculous simplicity: She is particularly strong in the first part, where she brings out the comedy of God's injunction to the clueless Noah to build a vast ark and of the aged Joseph's surprise on returning home from a business trip to find Mary hugely pregnant. Played on a bare stage, these plays still grip even in an increasingly secular society, not least because Mitchell does everything possible to bring out their humanity.

Michael Billington, drama critic of *The Guardian*, is filling in for Sheridan Morley.

THE BRITISH STAGE

Stafford Clark's production for the touring Out of Joint company is fluent and excellently acted by Margot Leicester as the unconsciously manipulative Miranda. Paul Love as the sexually experimenting Emma and Julia Lane as the gutsy Paula, whose sheer survival instinct offers hope in a world where bourgeois radicals blindly stumble.

If this is middle-class comedy at its best, Marie Jones's "Women on the Verge of HRT" (presented at the Vaudeville by Ireland's Dublin Joint company) is a more old-fashioned piece of consciousness-raising propaganda. It deals with two Belfast women who have made the pilgrimage to Donegal to bear a singer called Daniel O'Donnell: Ireland's real-life answer to Barry Manilow or Cliff Richard in that his biggest fans are adoring middle-aged mums. Vera, played by the author, is a badly

In a French Opera, Murder at the Airport

By David Stevens
International Herald Tribune

PARIS — The dramatic premise of "60th Parallel," an opera by the French composer Philippe Manoury that has just had its world premiere at the Chatelet, is that a disparate group of airline passengers is stranded in a desolate far northern airport awaiting the end of a blizzard.

At the end of the opera's 90 minutes, they are still waiting, except for two who have been murdered — one off-stage and the other with such professional discreetness no one really notices. The killer is a war criminal reluctant to be taken back to face the music. Another minidrama involves a distraught woman who has been left by her husband, and her companion, who is taking her to Miami with a lesbian dalliance in mind. A loony scientist is preparing a paper on Einstein's brain, which he may have in his luggage. There are other small events as waiting gradually gets on everyone's nerves.

Musically, the work begins with a densely written prelude that develops into a kind of perpetual storm music, swelling and ebbing, yet also giving a feeling of immobility. Against this background are other musical events. A scruffy man with a ghetto blaster provides a loud rock interlude. There is also a waltz and a group of children singing a nursery rhyme. All this is subtly manipulated from time to time by electronic devices.

Officially, the work is presented as a three-way collaboration among composer, the writer-librettist, Michel Deutsch, and the stage director, Pierre Strasser. But that is a formality. All opera is collaboration, but in the end the composer carries the ball.

The composer says he took Richard Strauss (among others) as a model for making the text comprehensible despite a basically heavy orchestral background. He was only partly successful, and much of the text was lost in the theater's space — a good case for subtitles.

At the end, the weary travelers are just where they were at the beginning, the airport's loudspeaker announcements are getting more detached from reality, and a vague feeling sets in that this is someplace like Sartre's "Huis Clos," if not Hell itself then at least the anteroom to Purgatory.

David Robertson and the Orchestre de Paris offered an excellent cast solid support from the pit. At the Theatre des Champs-Elysees another kind of collaboration is at work in "Ombra Felice," with Mozart as the posthumous collaborator. The staging and designing duo of Karl-Ernst and Uwe Hermann have taken about 25 of the composer's concert arias and a couple

of his comic Viennese-dialect scenes.

Since Mozart's almost always set his concert arias to operatic texts, the theater is never far away. What the Hermanns have done is to seize on the theatrical implications of the arias and try to link them in some coherent progression. This is done with the help of poetry by Ingeborg Bachmann, Hans Arp, Marivaux, Heine and Holderlin, delivered by Mireille Mosse, a very small and droll actress.

Because Mozart's arias include some of the finest things he wrote for the voice, and because they are sung handsomely by Cyndia Sieden, Elizabeth Szmyka, Veronica Cingemi, Nathalie Stutzmann, Yann Beuron and Wojtek Drabowicz, the evening is a delight, albeit a long one. Louis Langree and the Orchestre de Picardie, who shared the stage with the singers, gave solid support.

Chinese Dior Makes a Splash

By Suzy Menkes
International Herald Tribune

PARIS — With lacquer-red nails clutching a bamboo-handled purse, Shanghai Lil sets off for Paris. What's an Asian babe to wear? Why, Dior, of course. For John Galliano's first ready-to-wear collection for the French couture house was a homage to China in the '30s.

It made an arresting spectacle, with the painted-cheek models acting like Oriental pinups, stroking themselves as they prowled the extraordinary decor. Shinto arches, rice-paper screens hung with Oriental flowers, blue and white porcelain and even a Willow Pattern bridge were part of the fantastic set created inside an Asian art museum for Tuesday's fall/winter show.

Dior had spent a ton of money to showcase the house's craft and Galliano's art. His familiar siren evening dresses were beauteous creations, with orchids veiled under black chiffon or open sides buckled together over bare flesh. The cheongsam was given a whirligig spin, as a mandarin-collared top appeared above short, full skirts, as well as on slinky dresses. Those high collars, edged with pearls, were one of many couture touches, which included silk fringes, cute purses, Madame Butterfly hair ornaments and Chinese embroidery on a side-split trouser suit.

In fact, give or take the fluffy sweater dresses in fondant colors, this might have been a polished version of the raw January couture show. Yet it was ready-to-wear. And apart from throwing a bone to the fashion industry, which will run up Suzy Wong brocade dresses, where were the customer clothes?

The Lolita daywear could be transformed by conventional skirts and by removing the platform-soled flowered sandals and bobby socks. Some of the body-conscious jackets even looked like Chanel, seen through Galliano's romantic color prism of mauve, boudoir pink and powder blue.

Galliano is doing for Dior what he has always done: romantic clothes, referencing the past and on the costume-party side, but given a modern sensuality. What Dior already gets out of this deal is a sense of occasion and excitement, an edgy, even decadent sexiness. Over to the commercial boys to turn Galliano's image-making Chinese frolics into a buck.



Dior's fringed dress by Galliano.

The Orient is already a theme of the season and the Belgian designer Dries Van Noten had a magical way of making ethnic seem actual, with brocade kimono coats lapping the body and Oriental-print pants peeping under a coat.

The modern, romantic show the designer sent out on a gilded runway was a beautiful rendition of everything he

PARIS FASHION

loves: layered clothing, creating a long-line fluid silhouette, with a subtle play of light and shade. That meant mat, masculine fabrics and neutral colors illuminated with Oriental brocade, used as a coat lining, an obi sash or the vest front of ribbed knit. Even the shoes were decorated with gilt studs.

How does Van Noten manage to get so much into each outfit and yet never walk that yellow-brick road into fashion's fantasy land? Because broken down into individual pieces, the collection has a signature style and makes sense.

Long coats and tailored jackets, some lightly padded, go over tunics and pants. The designer then integrates a ribbed knit coat, a velvet dress, a glitter sweater or a wrap skirt. This all-in-the-mix fashion is typical of Van Noten, but it was exceptional to use the solid fabrics of a winter season with such finesse.

Playing with texture, as on piano keys, is another theme of the early Paris shows. The wood-grain backdrop was in the spotlight at the end of Junya Watanabe's show — to reinforce his message that the subtle mixes of pattern, tone and texture were like the finest woodwork. First came fitted tunics and pants in marquetry-style patterns of seaming that made chevrons, diagonals and horizontals out of pinstripes.

Those pantsuits were the base to which apron dresses were added, fastened with pins or ties and sometimes in floral-patterned fabrics. Colors were soft and sweet: teal blue, dusty pink, apricot and lovat green. They were used for plaids, with different patterns cut into the tailoring. It sounds complicated, but the clothes were mostly subtle and simple, showing a strong stride forward for Watanabe.

"Classic is definitely in," said Gene Pressman, president of Barneys, New York to explain the transformation of Dirk Bikkembergs from heavy metal, hard leather and clubwear to a couture style. The show, presented in a gilded hotel salon, was an about-turn for the designer and brought a new elegance to tailored pantsuits. They still had his signature metallic effects, as a silver necktie knot or metal fox-head on a fur boa. The show was calm, clean, classy, commercial — and couture. But in a season when leather is such a strong story, the show missed Bikkembergs's hard-edged style.

Which designer is so powerful that American clients would fly in for his first show? They crossed the pond for Lucien Pellat-Finot — the designer whose cashmere sweaters, hand-stitched in French mountain villages, are collectors' items. Under the gilded cherubs of his showroom ceiling, Pellat-Finot sent out a play-on-textures collection. His double-face clothing, this season in checks, is also sought after, but the soul of the line is in the knit, some as delicate and lacy as old-fashioned underwear. They correspond to that current aesthetic of luxury as a private pleasure.



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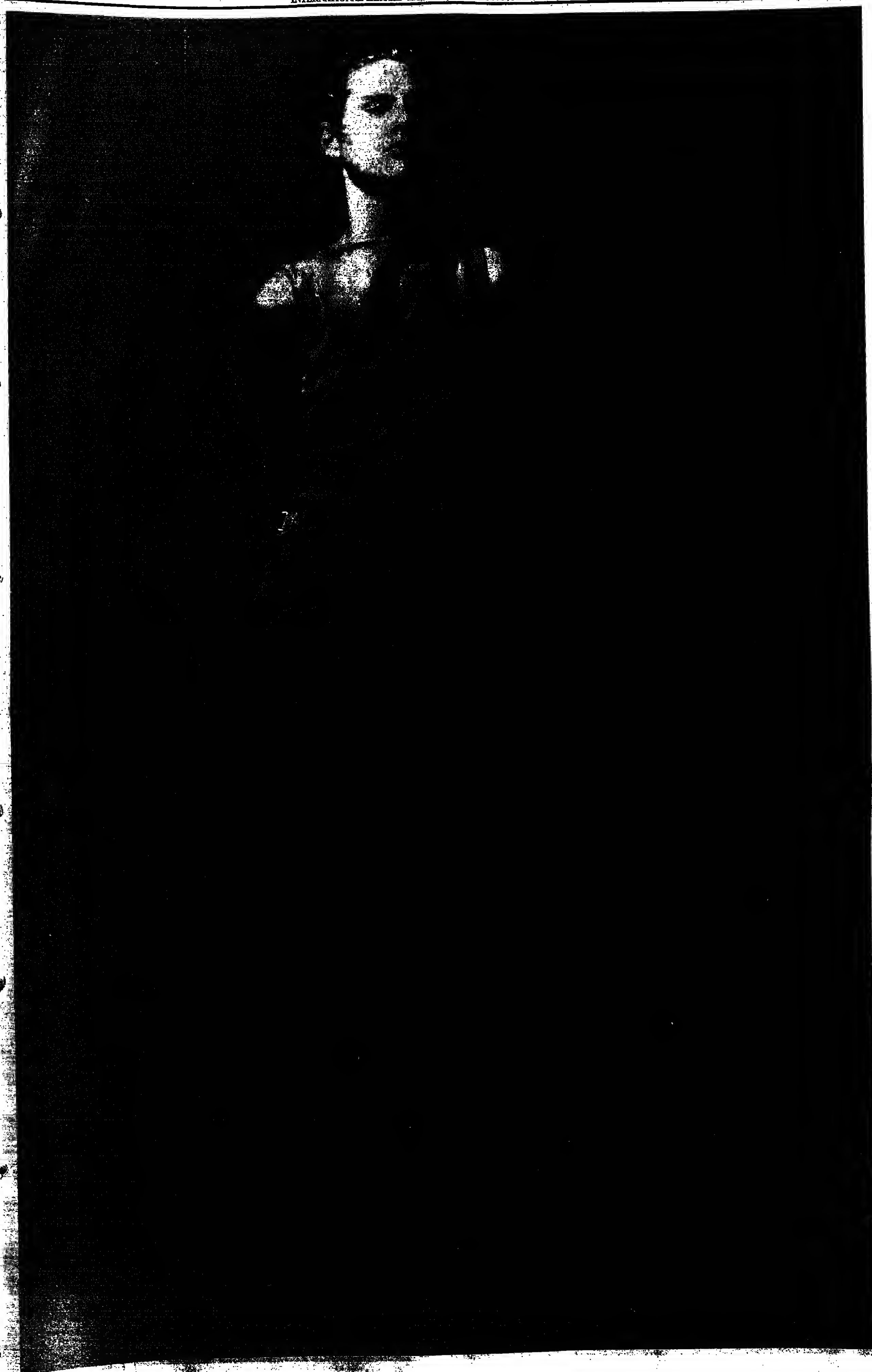
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TV and

New York City's media landscape is undergoing a significant transformation. The city's major television networks, including ABC, CBS, and NBC, are all looking to expand their reach and influence. This is particularly true for ABC, which has been aggressively pursuing new programming and talent. The network's recent success with "The Practice" and "The West Wing" has led to a renewed focus on high-quality drama. CBS, on the other hand, is looking to solidify its position as a leading network by investing in new talent and programming. NBC, meanwhile, is looking to revitalize its lineup and attract a younger audience. The competition is fierce, and the stakes are high. As the media landscape continues to evolve, it will be interesting to see how these networks adapt and thrive in the new environment.

CU

Cross Rates			
Currency	Per \$	Per £	Per ¥
Australian dollar	0.65	0.45	6.50
Canadian dollar	0.60	0.40	6.00
French franc	6.55	4.55	65.50
German mark	1.36	0.93	13.60
Italian lira	1,360	930	13,600
Japanese yen	106.5	72.5	1,065
Swiss franc	1.48	1.00	14.80
U.S. dollar	1.00	0.67	100.00

Other Dollar Values			
Currency	Per \$	Per £	Per ¥
Green dollar	1.00	0.67	100.00
Hong Kong dollar	7.75	5.25	77.50
Indian rupee	46.34	31.25	463.40
Israeli sheqel	4.84	3.25	48.40
Malaysian ringgit	2.36	1.58	23.60
New Zealand dollar	0.65	0.45	6.50
Singapore dollar	1.36	0.93	13.60
Taiwan dollar	20.36	13.75	203.60
Thai baht	54.78	36.75	547.80
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Currency	30-day	60-day	90-day
Australian dollar	0.65	0.65	0.65
Canadian dollar	0.60	0.60	0.60
French franc	6.55	6.55	6.55
German mark	1.36	1.36	1.36
Italian lira	1,360	1,360	1,360
Japanese yen	106.5	106.5	106.5
Swiss franc	1.48	1.48	1.48
U.S. dollar	1.00	1.00	1.00

MUTUAL FUNDS

Figures as of close of trading

Friday, May 11

Figures as of close of trading
Friday, May 11

Symbol	Price	Change	Volume	Open	High	Low	Close
IBM	125.00	+1.00	100,000	124.00	126.00	123.50	125.00
GE	45.00	+0.50	50,000	44.50	46.00	44.00	45.00
AT&T	35.00	+0.25	80,000	34.75	35.50	34.50	35.00
Westinghouse	25.00	+0.10	30,000	24.90	25.20	24.80	25.00
General Electric	45.00	+0.50	50,000	44.50	46.00	44.00	45.00
IBM	125.00	+1.00	100,000	124.00	126.00	123.50	125.00
GE	45.00	+0.50	50,000	44.50	46.00	44.00	45.00
AT&T	35.00	+0.25	80,000	34.75	35.50	34.50	35.00
Westinghouse	25.00	+0.10	30,000	24.90	25.20	24.80	25.00
General Electric	45.00	+0.50	50,000	44.50	46.00	44.00	45.00

Asset-Sale Veteran To Run Thomson Before Privatization

Compiled by Our Staff From Dispatches

PARIS — The government Tuesday appointed as chairman of Thomson SA an executive with a track record of preparing state-owned companies for sale.

Thierry Breton, a state-appointed administrator at the computer maker Groupe Bull, will succeed Marcel Roulet as chairman of the government-owned producer of consumer and defense electronics goods.

Mr. Roulet will remain chairman of Thomson-CSF, the defense-electronics unit of Thomson. But Mr. Breton will take direct control of Thomson Multimedia, the com-

pany's consumer-electronics unit.

The government has just taken the decisions necessary for the privatization of Thomson-CSF to enter the operational phase, the industry and Finance ministries said.

Mr. Breton will be responsible for privatizing Thomson Multimedia and will make proposals for the sale shortly, the ministries said.

As executive president of Bull, Mr. Breton oversaw cost cuts and the sale of its Zenith Data Systems Inc. personal-computer unit, restoring it to profitability. The government allowed core shareholders, including Motorola Inc. and NEC Corp., to buy bigger stakes in Bull a year ago and take control.

The government said it had chosen Mr. Breton to oversee the sale of Thomson's units to private investors "because of his contribution to the turnaround" of Bull and to its privatization.

This tips the scales toward a gradual privatization of Thomson Multimedia, like what was done with Bull, said Luis Manjon, a Thomson SA board member who represents the General Confederation of Labor.

Thomson Multimedia, the largest producer of televisions in North America, reported a loss of 3.1 billion francs (\$538.9 million) for 1996 as competition among makers of consumer electronics and lagging European demand hurt profit margins.

Thomson Multimedia has said it will close several factories and cut as many as 10,000 jobs worldwide to try to return to profitability in 1999.

Mr. Breton's appointment comes four months after Paris blocked a sale of Thomson SA to Lagardere Group, which planned to transfer Thomson Multimedia to Daewoo Electronics Co. of South Korea amid public protest over potential job losses. (Bloomberg/Reuters)

Aerospatiale Is Excluded

Aerospatiale will not be allowed to bid for Thomson-CSF, the French Defense Ministry said, according to a Bloomberg News report. Defense Minister Charles Millon said earlier that the aerospace company's state-owned status raised questions about whether it could sell to buy part of another state-controlled company.

American's Katz To Lead Swissair

ZURICH — Jeffrey Katz, a former executive with American Airlines, will take charge of Swissair in January as the airline bids to become more competitive internationally, SAirGroup AG said Tuesday.

Mr. Katz, 41, will take over as chief executive officer from Philippe Brugger, who will remain president and chief executive of SAirGroup.

Two British Airways managers, Ray Lyons, 44, and Lee Shave, 39, will join Swissair. Switzerland's shareholder-owned flag carrier, as vice presidents.

"We must have international industry knowledge and experience aboard if we are to rise to the dual challenges of liberalization and an ever-toughening airline market," Mr. Brugger said.

Mr. Katz, who spent 17 years with American, has most recently been managing director of passenger sales for the western United States and was president of the Sabre Travel Information Network.

SAirGroup AG reported that it went into the red in 1995 with a net loss of 147 million Swiss francs (\$100 million) for the year. It also had a loss of 51 million francs in the first half of last year.

Final results for 1996 have yet to be announced.

It's No Big Deal, Boeing Says

U.S. Giant Tries to Calm EU Over McDonnell Purchase

By Tom Buerkle
International Herald Tribune

BRUSSELS — Philip Condit, the chief executive of Boeing Co., has a novel way of trying to persuade European antitrust regulators to approve his company's planned takeover of McDonnell Douglas Corp.: He is talking down the company that Boeing wants to buy.

McDonnell will just 3 percent of worldwide orders for commercial aircraft last year, Mr. Condit said Tuesday to a group of aerospace executives here. That puts it behind Seattle-based Boeing, the global leader, and its European rival, Airbus Industrie.

"The marketplace has already made a determination on the economic viability of McDonnell Douglas," Mr. Condit said.

Airbus has said that it has about 35 percent of the world market for aircraft with more than 100 seats, compared with more than 50 percent for Boeing and less than 10 percent for McDonnell Douglas.

Between McDonnell's dwindling civilian order book and the prospect that the deal could persuade some airlines to buy Airbus as a counter to Boeing's dominance, "I don't think they bring market share either way," he said.

While many airline executives and analysts share that view, Mr. Condit faces a harder sell in Karel van Miert, the European Union competition commissioner.

Even before the two men met for an hour at the European Commission headquarters Tuesday in Brussels, aides to Mr. van Miert said he was certain to order a more detailed investigation after an initial one-month review ended next week.

To date, Mr. van Miert has expressed concerns that Boeing's sheer size after combining with McDonnell Douglas could enable it to abuse its dominance of the civilian-aircraft market to the detriment of Europe's industry.

His position has been buttressed by a turnaround of sorts at Airbus, which initially dismissed McDonnell as a negligible competitor but

later was purchased that a bigger Boeing could pressure subcontractors into dropping cooperation with Airbus. But antitrust specialists have doubts about what Mr. van Miert can do. In contrast to previous merger cases, in which the commission has demanded divestitures to prevent market dominance, Boeing has no significant European operations to sell.

U.S. officials, meanwhile, warn that Mr. van Miert will jeopardize the budding trans-Atlantic cooperation on international mergers if he tries to seize the initiative from the Federal Trade Commission, the agency that is leading the U.S. antitrust review of the deal.

Washington suspects European officials want to use the review of the deal to force a renegotiation of a 1993 U.S.-EU agreement on aircraft subsidies, an idea that U.S. officials reject. Airbus needs an estimated \$8 billion to develop a 600-seat superjumbo jet to eclipse Boeing's profitable 747, and the accord limits government launch aid to 25 percent of development costs.

While the Dow Jones industrial average has risen less than 10 percent, Germany's DAX index and the Netherlands' AEX measure have risen 19 percent. Sweden's OMX index has risen 17 percent, the CAC 40 index in France has risen 16 percent, and Italy's main index is up 13 percent.

Strong earnings reports from Europe's biggest companies helped stock Tuesday. Deutsche Telekom AG and the British drugmaker Zeneca PLC were among the companies reporting solid profits.

Optimism that corporate borrowing costs will remain steady added fuel to the rally.

In Italy, top gainers in recent weeks have included the big banks, which have been working to increase their assets under management.

Russian stocks rose as investors took Mr. Yeltsin's decision to fire most of the cabinet as a sign that

economic reform efforts would continue. Only Prime Minister Viktor Chernomyrdin and Anatoly Chubais, a first deputy prime minister, kept their jobs.

Although the responsibility of naming a new cabinet in the next week will fall to Mr. Chernomyrdin, traders and analysts said they assumed that Mr. Chubais, a pioneer of Russia's market reform moves, would bring in some of his protégés and speed the overhaul of the Russian economy.

"If Chubais is allowed to bring in the people we assume he is, then it should be a big positive for the markets," Roland Heide, chief economist at Renaissance Capital Group, said.

If he brings in the team, you're looking at one of the most reform-minded governments this country has had from the beginning.

The benchmark Russian Trading System index rose about 3 percent, to 327.37, erasing most of last week's loss.

Wall Street Pushes Europe Higher

LONDON — Stocks rose across much of Europe on Tuesday, taking their cue from Wall Street's record close Monday and a stronger dollar, although a lackluster opening for U.S. stocks prevented even stronger gains.

Benchmark indexes in Britain, Germany, the Netherlands, Finland and Norway all closed at record highs. Stocks also rose in Austria, Belgium, Denmark, Ireland and Russia. The strong dollar—the currency rose after President Boris Yeltsin of Russia dismissed most of his cabinet—lifted shares in exporters, including British Aerospace PLC, Volkswagen AG and Nestle SA.

"At the moment, everything looks good for the market," said Christoph Arz, chief trader at BHF-Bank AG.

"The dollar movement is positive, and we should continue to see record highs."

Most major European stock indexes have done better than the main U.S. indexes so far this year.

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Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
3600	4650	2850
3400	4500	2700
3200	4350	2550
3000	4200	2400
2800	4050	2250
2600	3900	2100
2400	3750	1950
2200	3600	1800
2000	3450	1650
1800	3300	1500
1600	3150	1350
1400	3000	1200
1200	2850	1050
1000	2700	900
800	2550	750
600	2400	600
400	2250	450
200	2100	300
0	1950	150

Source: Reuters

Very briefly:

- Hoechst AG, a German chemical and drug maker, said 1996 net profit rose 24 percent, to 2.77 billion Deutsche marks (\$1.62 billion) as sales fell 2.4 percent, to 50.9 billion DM. The results were worse than analysts expected, but Hoechst said it performed well amid "sluggish activity in the chemicals markets." Bayer AG, meanwhile, said its 1996 net profit rose a greater-than-expected 13 percent, to 2.74 billion DM.
- Adidas AG, the German maker of sports shoes and clothing, said it would more than quadruple its 1996 dividend, to 1.10 DM a share from 0.25 DM a share in 1995, as it announced a 28 percent rise in annual profit, to 314 million DM; 1996 sales rose 34 percent, to 4.7 billion DM.
- The International Petroleum Exchange in London and the New York Mercantile Exchange, which have traditionally been fierce rivals in the oil markets, expect to announce a deal soon that will make it easier to trade on both exchanges.
- The Securities and Futures Authority, a British financial regulator, banned the former Barings treasury head Ian Hopkins from being a director in London's financial district for at least three years for his part in the 1995 collapse of the investment bank. The agency also ordered Mr. Hopkins to pay £10,000 (\$16,000) toward investigation costs.
- Zeneca Group PLC, a British pharmaceutical company, said 1996 pretax profit rose 15 percent, to a record £1.01 billion, amid healthy sales of new drugs. Sales rose 9 percent, to £5.36 billion from £4.9 billion.
- Orange PLC, a British mobile-phone network company, said its 1996 pretax loss widened to £229.1 million from £140.5 million for 1995 as it continued to build infrastructure and subsidize mobile handsets. Revenue jumped to £619 million from £228.7 million.
- Generale de Banque SA, Belgium's biggest bank, said its 1996 consolidated net profit rose 10 percent, to 15.10 billion Belgian francs (\$4.27 billion).

AFP/Bloomberg/Reuters

WORLD STOCK MARKETS

Tuesday, March 11
Prices in local currencies.

High Low Close Prev.

Amsterdam

Amst. 100 Index 1,420.70

Amst. 200 Index 1,420.70

Amst. 300 Index 1,420.70

Amst. 400 Index 1,420.70

Amst. 500 Index 1,420.70

Amst. 600 Index 1,420.70

Amst. 700 Index 1,420.70

Amst. 800 Index 1,420.70

Amst. 900 Index 1,420.70

Amst. 1000 Index 1,420.70

Amst. 1100 Index 1,420.70

Amst. 1200 Index 1,420.70

Amst. 1300 Index 1,420.70

Amst. 1400 Index 1,420.70

Amst. 1500 Index 1,420.70

Amst. 1600 Index 1,420.70

Amst. 1700 Index 1,420.70

Amst. 1800 Index 1,420.70

Amst. 1900 Index 1,420.70

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Amst. 4100 Index 1,420.70

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Amst. 4600 Index 1,420.70

Amst. 4700 Index 1,420.70

Amst. 4800 Index 1,420.70

Amst. 4900 Index 1,420.70

Amst. 5000 Index 1,420.70

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NYSE

Tuesday's 4 P.M. Close
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press

Symbol	Price	% Chg
IBM	100.00	+0.12
MSFT	40.00	+0.12
GOOG	100.00	+0.12
AMZN	100.00	+0.12
EBAY	100.00	+0.12
YHOO	100.00	+0.12
GOOGL	100.00	+0.12
AMZNK	100.00	+0.12
EBAYK	100.00	+0.12
YHOOA	100.00	+0.12
GOOGLK	100.00	+0.12
AMZNK2	100.00	+0.12
EBAYK2	100.00	+0.12
YHOOA2	100.00	+0.12
GOOGLK2	100.00	+0.12
AMZNK3	100.00	+0.12
EBAYK3	100.00	+0.12
YHOOA3	100.00	+0.12
GOOGLK3	100.00	+0.12
AMZNK4	100.00	+0.12
EBAYK4	100.00	+0.12
YHOOA4	100.00	+0.12
GOOGLK4	100.00	+0.12
AMZNK5	100.00	+0.12
EBAYK5	100.00	+0.12
YHOOA5	100.00	+0.12
GOOGLK5	100.00	+0.12
AMZNK6	100.00	+0.12
EBAYK6	100.00	+0.12
YHOOA6	100.00	+0.12
GOOGLK6	100.00	+0.12
AMZNK7	100.00	+0.12
EBAYK7	100.00	+0.12
YHOOA7	100.00	+0.12
GOOGLK7	100.00	+0.12
AMZNK8	100.00	+0.12
EBAYK8	100.00	+0.12
YHOOA8	100.00	+0.12
GOOGLK8	100.00	+0.12
AMZNK9	100.00	+0.12
EBAYK9	100.00	+0.12
YHOOA9	100.00	+0.12
GOOGLK9	100.00	+0.12
AMZNK10	100.00	+0.12
EBAYK10	100.00	+0.12
YHOOA10	100.00	+0.12
GOOGLK10	100.00	+0.12
AMZNK11	100.00	+0.12
EBAYK11	100.00	+0.12
YHOOA11	100.00	+0.12
GOOGLK11	100.00	+0.12
AMZNK12	100.00	+0.12
EBAYK12	100.00	+0.12
YHOOA12	100.00	+0.12
GOOGLK12	100.00	+0.12
AMZNK13	100.00	+0.12
EBAYK13	100.00	+0.12
YHOOA13	100.00	+0.12
GOOGLK13	100.00	+0.12
AMZNK14	100.00	+0.12
EBAYK14	100.00	+0.12
YHOOA14	100.00	+0.12
GOOGLK14	100.00	+0.12
AMZNK15	100.00	+0.12
EBAYK15	100.00	+0.12
YHOOA15	100.00	+0.12
GOOGLK15	100.00	+0.12
AMZNK16	100.00	+0.12
EBAYK16	100.00	+0.12
YHOOA16	100.00	+0.12
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EBAYK17	100.00	+0.12
YHOOA17	100.00	+0.12
GOOGLK17	100.00	+0.12
AMZNK18	100.00	+0.12
EBAYK18	100.00	+0.12
YHOOA18	100.00	+0.12
GOOGLK18	100.00	+0.12
AMZNK19	100.00	+0.12
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YHOOA20	100.00	+0.12
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GOOGLK23	100.00	+0.12
AMZNK24	100.00	+0.12
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AMZNK25	100.00	+0.12
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GOOGLK26	100.00	+0.12
AMZNK27	100.00	+0.12
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YHOOA30	100.00	+0.12
GOOGLK30	100.00	+0.12
AMZNK31	100.00	+0.12
EBAYK31	100.00	+0.12
YHOOA31	100.00	+0.12
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AMZNK32	100.00	+0.12
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YHOOA32	100.00	+0.12
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AMZNK33	100.00	+0.12
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GOOGLK42	100.00	+0.12
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GOOGLK47	100.00	+0.12
AMZNK48	100.00	+0.12
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YHOOA59	100.00	+0.12
GOOGLK59	100.00	+0.12
AMZNK60	100.00	+0.12
EBAYK60	100.00	+0.12
YHOOA60	100.00	+0.12
GOOGLK60	100.00	+0.12
AMZNK61	100.00	+0.12
EBAYK61	100.00	+0.12
YHOOA61	100.00	+0.12
GOOGLK61	100.00	+0.12
AMZNK62	100.00	+0.12
EBAYK62	100.00	+0.12
YHOOA62	100.00	+0.12
GOOGLK62	100.00	+0.12
AMZNK63	100.00	+0.12
EBAYK63	100.00	+0.12
YHOOA63	100.00	+0.12
GOOGLK63	100.00	+0.12
AMZNK64	100.00	+0.12
EBAYK64	100.00	+0.12
YHOOA64	100.00	+0.12
GOOGLK64	100.00	+0.12
AMZNK65	100.00	+0.12
EBAYK65	100.00	+0.12
YHOOA65	100.00	+0.12
GOOGLK65	100.00	+0.12
AMZNK66	100.00	+0.12
EBAYK66	100.00	+0.12
YHOOA66	100.00	+0.12
GOOGLK66	100.00	+0.12
AMZNK67	100.00	+0.12
EBAYK67	100.00	+0.12
YHOOA67	100.00	+0.12
GOOGLK67	100.00	+0.12
AMZNK68	100.00	+0.12
EBAYK68	100.00	+0.12
YHOOA68	100.00	+0.12
GOOGLK68	100.00	+0.12
AMZNK69	100.00	+0.12
EBAYK69	100.00	+0.12
YHOOA69	100.00	+0.12
GOOGLK69	100.00	+0.12
AMZNK70	100.00	+0.12
EBAYK70	100.00	+0.12
YHOOA70	100.00	+0.12
GOOGLK70	100.00	+0.12
AMZNK71	100.00	+0.12
EBAYK71	100.00	+0.12
YHOOA71	100.00	+0.12
GOOGLK71	100.00	+0.12
AMZNK72	100.00	+0.12
EBAYK72	100.00	+0.12
YHOOA72	100.00	+0.12
GOOGLK72	100.00	+0.12
AMZNK73	100.00	+0.12
EBAYK73	100.00	+0.12
YHOOA73	100.00	+0.12
GOOGLK73	100.00	+0.12
AMZNK74	100.00	+0.12
EBAYK74	100.0	

ASIA/PACIFIC

Property Rescue Plan Bolsters Thai Stocks

BANGKOK — Foreign investors returned to Thailand's battered bourse Tuesday as the government approved a decision to launch a multibillion-dollar salvage operation for the real-estate market.

A spokesman said the government would raise as much as 100 billion baht (\$3.85 billion) from an issue of seven-year, zero-coupon bonds. That, he said, will allow it to set up an entity called Property Loan Management Co., which will make guaranteed loans to help finance companies write off bad property loans and help developers complete their projects.

The Stock Exchange of Thailand index rose 16.63 points, to close at 719.95. The index has gained 6.4 percent over the past three sessions, erasing most of its loss from last week's sell-off. But stocks are still down about 16 percent so far this year and 45 percent over the past 12 months.

"I think 100 billion baht is enough money to help," Supon Prachokchai, managing director of the Agency for Real Estate Affairs, said. "But I don't know if it can solve the problems faced by buyers and developers."

He said a support plan for poor projects could prolong problems in the property sector and said a far broader solution would be needed.

While the mood of panic over the health of the finance sector has dissipated, many investors still have doubts because of Thailand's slipping growth rate and faltering exports.

The cabinet also approved a proposal Tuesday to trim the current budget by 106 billion baht as part of an effort to trim the country's current-account deficit. (Reuters, Bloomberg)

Extortion Resurfaces in Japan

TOKYO — A leading maker of food and seasonings, Ajinomoto Co., said Tuesday that two of its executives had been arrested on suspicion of paying several million yen in company funds to *sokaiya* racketeers.

Shunsuke Inamori, the company's president, said the two senior executives belonged to the firm's general affairs department. He said that neither he nor other top managers had been involved in payoffs.

The announcement closely followed last week's revelations of suspected illegal dealings and possible payoffs to a one-time racketeer by Japan's biggest brokerage concern, Nomura Securities Co.

Mr. Inamori said Yukio Noguchi, 60, who was head of its general affairs department, and Takao Ishigami, 48, a section chief in the department, were suspected of paying the money to six *sokaiya* racketeers to ensure that a shareholders' meeting held in June 1996 would go smoothly.

"We take the case very seriously," Mr. Inamori said. "We apologize for upsetting the public. Everything is not yet clear, so we need an in-house investigation."

Sokaiya, often linked to *yakuza* crime syndicates, typically try to extort money from companies by threatening to expose dubious business practices or to make a disturbance at shareholders' meetings.

"*Sokaiya* are in a way a reflection of the underdevelopment of Japan's capitalist economy," a Japanese executive said. "It's an old practice, and legal changes were supposed to halt it, but it's tough for companies to give up the old ways."

Japanese law has prohibited these payoffs since 1982, but it is widely believed that dealings with *sokaiya* groups are still common at Japanese companies. There have been 26 such investigations since 1982.

Ajinomoto also was one of several companies accused in the United States of fixing the price of lysine, a feed additive. Prosecutors there said in November 1996 that the company had pleaded guilty and agreed to pay a fine of \$10 million.

Asked whether the arrests in the *sokaiya* case would have an adverse effect on the company's sales, Mr. Inamori said, "I think so, but I'm not sure."

Reports of the investigation weighed on Ajinomoto's stock price, which ended at 940 yen (\$7.71), down 70.

(Bloomberg, AFP, Reuters)

Scandal Is Expected to Hurt Nomura's Profit

The scandal over suspected illegal deals and possible payoffs to a former racketeer is expected to hit Nomura Securities' profit, but analysts said the brokerage company was unlikely to lose its top ranking in Japan's securities industry, news agencies reported.

"They're pretty well top across the board, and I find it hard to imagine that they could slip to No. 2 across a large number of product lines for an extended period of time," Walter Altherr, an analyst at Jardine Fleming Securities, said.

A loss of customers could cost Nomura 50 billion yen in revenue from trading commissions and underwriting new securities, David Threadgold of BZW Securities (Japan) Ltd. said.

(Bloomberg, Reuters)

Investor's Asia				
Hong Kong	Singapore	Tokyo		
Hang Seng	Straits Times	Nikkei 225		
14000	2250	22000		
13500	2200	21000		
13000	2150	20000		
12500	2100	19000		
12000	2050	18000		
11500	2000	17000		
1996	1997	1996		
Exchange	Index	Tuesday	Prev.	Change
Hong Kong	Hang Seng	13,252.28	13,268.79	-0.12
Singapore	Straits Times	2,194.75	2,172.49	+1.93
Sydney	All Ordinaries	2,468.30	2,461.00	+0.28
Tokyo	Nikkei 225	18,267.72	18,113.89	+0.85
Kuala Lumpur	Composite	1,250.83	1,237.48	+1.04
Bangkok	SET	719.95	703.32	+2.39
Seoul	Composite Index	655.95	657.35	-1.71
Taipei	Stock Market Index	8,246.64	8,174.18	+0.59
Manila	PSE	3,280.99	3,289.34	-0.25
Jakarta	Composite Index	667.93	669.05	-0.02
Wellington	NZSE-40	2,274.26	2,280.07	-0.25
Bombay	Sensitive Index	3,726.87	3,786.74	-1.14

Source: Reuters International Herald Tribune

Very briefly:

- South Korean stocks appeared little affected by the passage of an amended labor law that delays two years provisions allowing for layoffs. The Composite Index fell 1.4 points, to 667.35.
- Acer Computer International Pte., a unit of Acer Inc. of Taiwan, posted 1996 net profit of 51.6 million Singapore dollars (\$36 million), up 63 percent, on strong computer sales and a sale of shares in its Latin American unit.
- Keppel Corp.'s 1996 profit fell 5 percent, to 204.1 million Singapore dollars, amid intense competition in the ship-repair sector. Sales rose 17 percent, to 2.8 billion dollars.
- Chinese legislators called for an inland special economic zone and suggested Xi'an as its location, an official newspaper said.
- Cambodia has a fourth mobile-phone service, CamGSM. There are fewer than 25,000 customers in the country.
- SmartOne Telecommunications Holdings Ltd. plans to spend 1 billion Hong Kong dollars (\$129.2 million) to increase capacity enough to accommodate 400,000 more subscribers by July.
- China Light & Power Co. plans to buy Loy Yang Power Co. of Australia, a spokesman for the Hong Kong electricity supplier said.
- The Philippines plans to issue its first 20-year Treasury bonds in an offering in April valued at 2 billion pesos (\$76 million).

Bloomberg, AP, Reuters

Japan to See 3-D TV This Summer

TOKYO — Sanyo Electric Co. and Nippon Television Network Corp. said Tuesday they had developed a system for broadcasting three-dimensional images and would start test transmissions this summer.

The system uses progressive-scan technology developed by Nippon, a nationwide broadcaster. Viewers will need to have decoders in their television sets as well as special glasses to see the 3-D images.

Lippo Group Wins Plaudits for Its New Course

JAKARTA — Lippo Group Ltd., which was thought by some to be on the brink of collapse in 1995, appears to be back in favor with investors.

Amid a series of recent acquisitions such as the food distributor Auric Pacific in Singapore, plans for rights issues at its property division and a bid for control of the Indonesian hotel operator PT Hotel Prapatan, investors have bid up eight of Lippo's nine publicly traded companies in the past three weeks.

Its deputy chairman, James Riady, also is winning praise for aiming the company at Indonesia's growing consumer sector.

"James is running the show now, and he's playing a high-risk, high-return game," said Tjandra Kartika, an analyst for Kleinwort Benson Securities (Asia) Ltd. But despite the risks involved, "nobody's been disappointed so far," he said.

Lippo Group, a conglomerate owned by the Riady family, has extensive interests in China and has figured prominently in

U.S. investigations of political contributions to the Democratic Party and President Bill Clinton's re-election campaign.

In November 1995, shares in Lippo companies dropped on fears that an aggressive expansion strategy was about to get the group into trouble. The concern arose after one of its companies, PT Lippo Land, reported a surge in its total debt to 1 trillion rupiah (\$418 million), which was taken as a sign that Lippo had picked the wrong time to invest in the Jakarta area. But since then, Lippo Land has sold shares in a unit that is developing one of its projects, trimming its net investment in property.

"Lippo is taking steps to reduce its exposure to property, which is the right thing," Mr. Tjandra said. He cited the purchase in January of PT Matahari Putra Prima, Indonesia's largest department-store chain, by Lippo's PT Multipolar as proof of the company's desire to concentrate on this area. Auric is also a retail, owning convenience-store franchises and pharmacies in Singapore.

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Seoul's Big Firms Reach Anti-Takeover Pact

SEOUL — The country's largest conglomerates agreed Tuesday to cooperate against hostile takeover bids, whether from domestic or foreign prospective buyers.

The Federation of Korean Industries, South Korea's leading business organization, acted after three conglomerates last week undermined the first such bid in South Korea.

"Members shared the view that hostile bids aimed at snatching control of management without mutual agreement should be prevented," Sohn Byung Doo, deputy chairman of the federation, said.

Mr. Sohn said companies feared that hostile bids by foreign concerns would become more common under a new law abolishing the 10 percent limit on corporate stakes held by anyone other than a company's principal shareholder. The federation also urged Seoul to scrap limits in the new law on cross-investment within conglomerates, arguing that the rules would leave companies at a disadvantage in fighting foreign takeover attempts. (AFP, Bloomberg)

VICTOIRE ARIANE

24, Route de l'Industrie, L-2535 Luxembourg

AVIS AUX ACTIONNAIRES

Messieurs les actionnaires sont convoqués par le présent avis à l'ASSEMBLEE GENERALE ORDINAIRE DES ACTIONNAIRES qui se tiendra au siège social à Luxembourg le 1er avril 1997 à 15 h 00 avec l'ordre du jour suivant:

ORDRE DU JOUR

1. Compte Rendu d'Activité du Conseil d'Administration pour l'exercice se terminant le 31 décembre 1996;
2. Rapport et Revue d'Entreprises pour l'exercice se terminant le 31 décembre 1996;
3. Approbation des comptes de l'exercice se terminant le 31 décembre 1996;
4. Affectation du résultat de l'exercice se terminant le 31 décembre 1996;
5. Décharge aux Administrateurs et au Revueur d'Entreprises pour l'exercice se terminant le 31 décembre 1996;
6. Nomination des membres sociaux:
 - Nomination des Administrateurs;
 - Nomination du Revueur d'Entreprises;
 - Divers.

Les actionnaires sont informés qu'aucun quorum n'est requis pour cette assemblée et que les décisions sont prises à la majorité simple des actions présentes ou représentées.

Chaque action a un droit de vote.

Tout actionnaire peut voter par mandataire. A cet effet, des procurations sont disponibles au siège social et seront envoyées aux actionnaires sur demande.

Afin d'être valables, les procurations doivent être signées par les actionnaires devant être envoyées au siège social afin d'être reçues le jour précédant l'assemblée à 17 heures au plus tard.

Les propriétaires d'actions au porteur, désirant participer à cette assemblée, devront déposer leurs actions cinq jours ouvrables avant l'assemblée au siège social de la société.

Les actionnaires désireux d'obtenir le Rapport Annuel Audité au 31 décembre 1996 peuvent s'adresser au siège social de la société.

Pour la société,

BANQUE DE GESTION EDMOND DE ROTHSCHILD

LUXEMBOURG

Société Anonyme

24, boulevard Emmanuel Servais

L-2535 LUXEMBOURG

World population trends and prospects 1990-2005*

Region/year	1990	1995	2000	2005
Europe ²	722	727	731	730
Asia	633	728	832	935
North America	278	293	306	319
Latin America	440	482	525	564
Asia	3,186	3,458	3,737	4,003
Australia and Oceania	26	28	31	33
Total	5,285	5,716	6,162	6,594
Industrial countries	1,143	1,166	1,185	1,200
Developing countries	4,142	4,550	4,977	5,394

* Population in million. ² Including Russia. ³ Including Cyprus.

Source: United Nations, Dept. of Economic and Social Affairs, World population prospects, New York, 1995.

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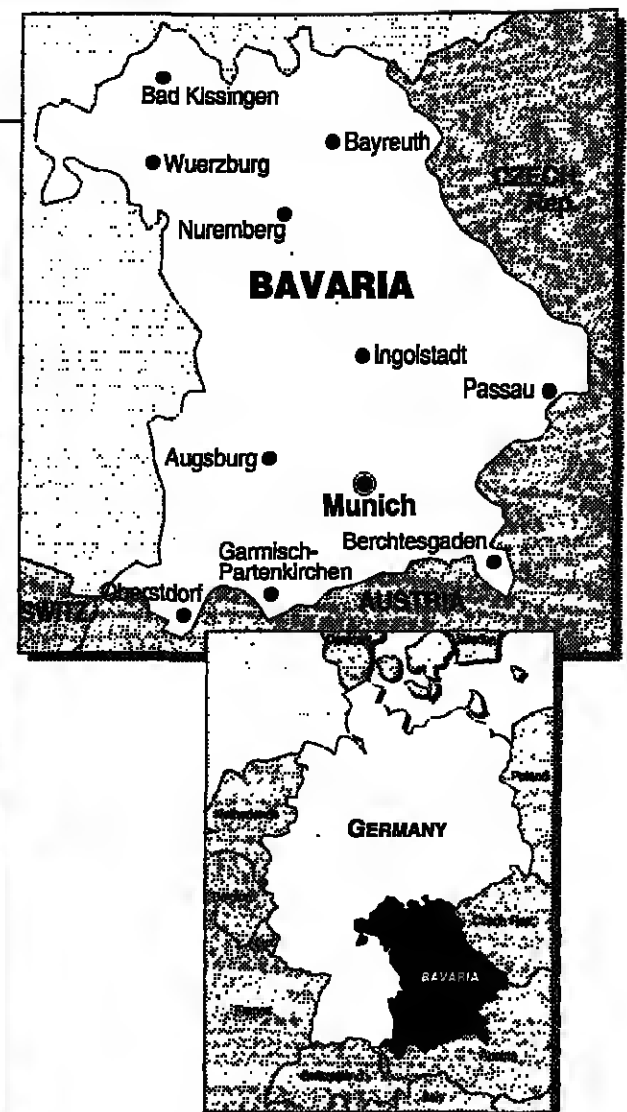
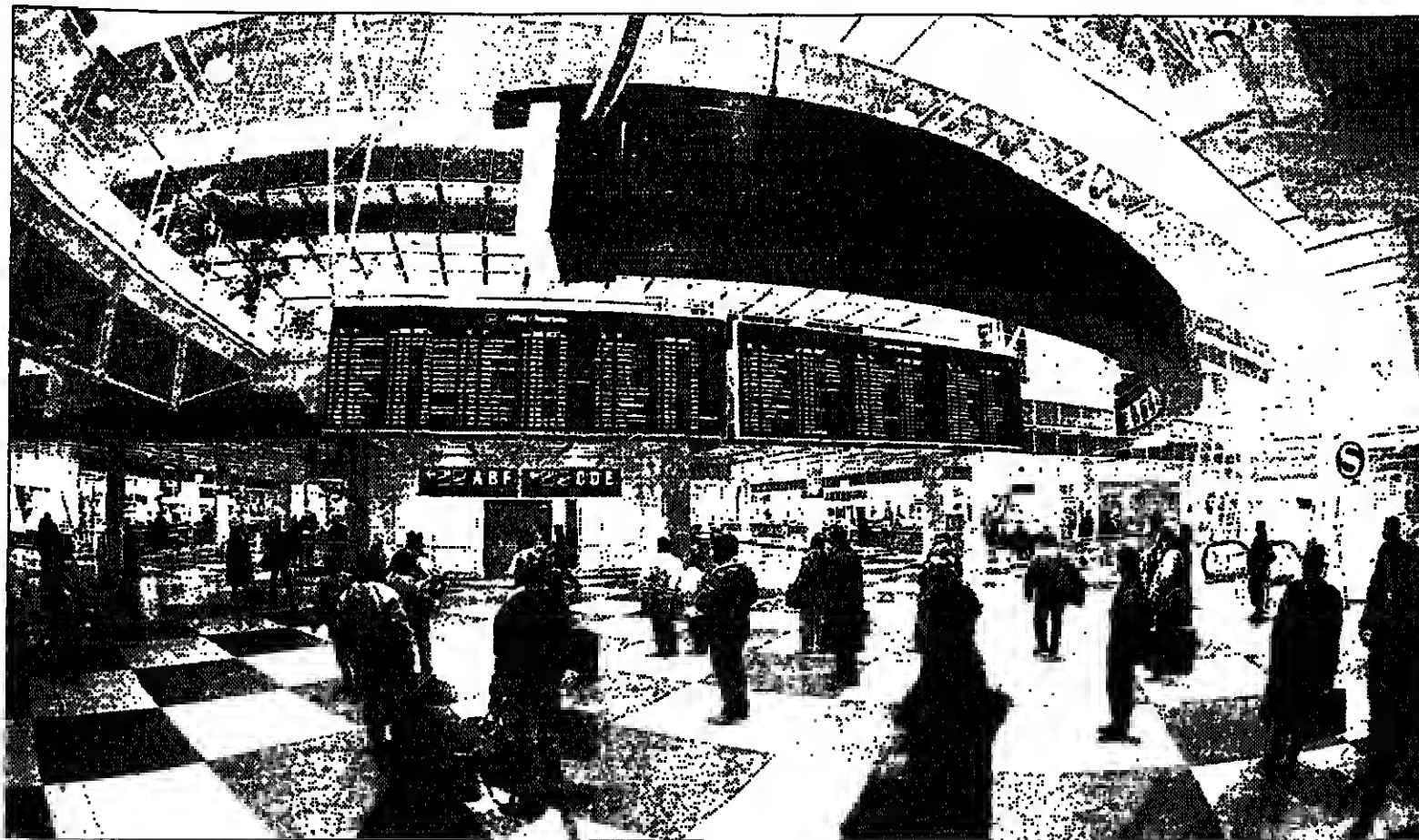
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SPONSORED SECTION

BAVARIA

Munich Airport is the second-largest hub in Germany, and it continues to expand its facilities. The state's high-tech industries, academic centers and tourist attractions are increasing travel to and from the region.



'SUNRISE SECTORS' BREED SUCCESS

The state enjoys high productivity, high-tech industries, low unemployment and low crime.

Can Bavaria's success in creating a high-flying economy centered on high-profile sectors be emulated by other areas that do not share Bavaria's geopolitical luck?

The question is of more than casual interest for many regions in Europe that are striving to work major economic transformations of their own.

"Every region experiences strokes of great fortune at one time or the other," says Otto Wiesheu, Bavaria's minister for economic affairs, transport and technology. "But luck comes and goes. And the successful regions are those, like Bavaria, which have been able to parlay short-term fortune into sustained, long-term growth."

Two strokes of luck
Bavaria's luck came in two successive strokes, one that triggered the state's takeoff, the other that ignited its "second stage."

In the postwar era, Bavaria — part of the American zone — was geopolitically safe. This induced corporations from Berlin and the nascent East Germany to relocate in the state. Led by Siemens, these new corporate arrivals found a vast supply of highly qualified potential employees awaiting them. In addition to the native Bavarians, their ranks included millions of refugees from East Germany and from other parts of Central and Eastern Europe.

Then, in the mid-1960s, the great engines of Germany's Wirtschaftswunder — steel-making, coal-mining, consumer goods and textiles — began to give way to new industries. Bavaria had been an industrial backwater for

all of its previous history, with the great and notable exceptions of metropolitan Nuremberg, Augsburg, Schweinfurt and — to a lesser extent — Munich.

Not seriously locked into any of the sunset industries, Bavaria's business community rushed into the sunrise sectors: telecommunications and office machines, electrical and automotive engineering and specialized capital goods.

Make-or-break retoolings

This community was comprised of literally thousands of young companies, most founded by postwar refugees, and the state's remaining manufacturers, virtually all of which had survived only by undergoing make-or-break retoolings.

In the late 1950s, BMW, a prewar producer of airplane engines, sports cars and Germany's version of the Model T, seemed to be facing two hard choices — bankruptcy or forced sale. While a cult object with Germany's teenagers, its motorcycle-engine-powered ultracompacts were not generating adequate revenues.

Enter Herbert Quandt. This outside investor had an ambitious and ultimately successful plan — to take BMW from the lowest end of the country's automobile market to the very top.

After fortune, fortitude

Once catapulted to the forefront of this wave of industrial change, Bavaria and its companies worked hard to stay there and to overcome the setbacks caused by "oil shocks."

worldwide recession and globalization.

The state's success in doing so is amply detailed in a series of "high-low" set of figures. They reveal how Bavaria has succeeded — by continuing to invest heavily in its future while keeping its books balanced.

According to the statistics, Bavaria has long maintained Germany's highest rates of corporate and public-sector investment and its lowest rates of corporate and public-sector indebtedness. Bavaria allocates 3.6 percent of its gross domestic product to research and development. That's not only the highest figure — by a wide margin — in Germany, but is also one of the highest in the world. The figure also shows the positive impact pro-growth policies have had on the state's residents and business community.

Command performance
Bavaria vies with Baden-Württemberg for the country's lowest rate of unemployment. Over the last 25 years, Hesse has beaten out Bavaria for Germany's best rate of long-term growth. Hamburg has remained Germany's richest state in terms of per capita income. During this period, however, Bavaria has recorded the strongest rises in corporate net worth as well as in personal income.

The state's economic performance has had direct, substantial societal ramifications. Bavaria has Germany's lowest rates of crimes against people and property. Munich is Germany's

Continued on page 21

MAC FACTS

CONSTRUCTION
BEGINS: June 1996
COMPLETION:
Spring 1999
ARCHITECT:
Helmut Jahn
SIZE: 31,000 square meters (333,680 square feet), of which 21,000 square meters will be allocated to office space and the balance to a conference center, restaurants, retail outlets, banks and more.

BUSINESS-ORIENTED AIRPORT

A new center at the Munich Airport will be an ideal venue for conferences.

Although it is only five years old, the Munich Airport has already pioneered a number of technical innovations. Most have been introduced to protect the safety of passengers and the ambient environment, or both.

The icing up of airplane wings, for example, is one of the great dangers of winter-time flying. Munich Airport has one of the world's most advanced de-icing systems. The 135 million Deutsche mark (\$80.58 million) system is comprised of special computerized roll-through facilities, each some 70 meters (230 feet) high and 25 meters wide. The fluids issuing from the facilities, which are located at the edge of the runways, flow into collection reservoirs for recycling.

A current project at the airport will redefi-
fine bow travelers use airports. The München Airport Center (MAC) will also

provide the world's congress and convention sector with a new kind of venue.

Near the main terminal

This major commercial innovation will be introduced within the next two years. Starting in 1999, a large number of the airport's millions of passengers each year will fly into Munich airport and stay, at least for a while. These passengers will be attending conferences and meetings at the center, which has been under construction since June 1996.

"The practice of holding the occasional meeting in an airport is, of course, not new," points out Willi Hermesen, CEO of Flughafen München GmbH (FMG), the company that owns and operates the airport. "Virtually every major airport has

Continued on page 20

MINISTER FORESEES DIVERSE ECONOMY BASED ON HIGH-TECH DEVELOPMENT

Otto Wiesheu, who holds a doctorate in jurisprudence, has been Bavaria's minister for economic affairs, transport and technology since 1993. He was born in 1944 and began his political career in 1969. Since 1974, he has been a member of Bavaria's state parliament. From 1984 to 1990, Mr. Wiesheu headed the Hanns Seidel foundation. In 1990, he was named state secretary of the Bavarian ministry for education, the sciences and cultural affairs.

Has Bavaria's influx of high-tech companies from North America and Asia achieved a self-perpetuating momentum, or are further measures required to keep it going?

As the influx is serving to further strengthen the factors that induced this process, I'm optimistic that it will set itself forth, and even gather strength in the future. Let me give you one example of what I mean.

Many foreign companies come to Bavaria to profit from the unparalleled depth and breadth of technologies here. These technologies have been developed by our large number of research institutes and technology-driven companies. Each American, Asian or European company that comes here brings advanced technologies of its own with it, thus increasing this diversity of expertise and know-how.

Our past successes, however, should not be construed to mean that we're resting on our laurels. Quite the opposite. The state government has taken 5 billion Deutsche marks (\$2.98 billion), the proceeds of its privatization program, and invested it in high-tech projects. This returning of companies to the private sector exemplifies the thrust behind all of our pro-free market, pro-growth policies.

I'd also like to mention another factor unleashing this influx: the highly competent business location services provided by our ministry. Many of the world's largest

companies have availed themselves of them, as have many of its newest and fastest-growing ones.

Each successful start-up company creates a number of jobs, with estimates ranging from five to 12. Over the last few years, Bavaria has successively set one state record for start-ups after another. Unemployment is high throughout Europe, including, to a lesser extent than most areas, Bavaria. When will the start-ups start producing enough jobs to make a dent in the unemployment problem?

They already have. Five-sixths of our new companies are in the service sector. It's no coincidence that the number of people employed in providing services in Bavaria has been growing at a 2 percent annual rate. This increase in jobs has counteracted the effects of the layoffs made by industrial companies.

You mentioned our record number of new companies. I'd like to add four other figures, which together show how the new companies are alleviating unemployment — and creating the basis for tomorrow's economy in Bavaria.

Our state has 14 percent of Germany's population. Over the last few years, 30 percent of Germany's net company foundations (the balance of start-ups and close-downs) have been in Bavaria, number one in Germany's states in this field. And, as a consequence, Bavaria has registered the lowest rate of unemployment among Germany's states over the last three years.

While prospering on the whole, your state does have its share of problem areas (with unemployment and a falling industrial base), including greater Nuremberg and Schweinfurt. The state government has launched a wide range of programs aimed at turning around such areas. Which of these programs has proven to have a demonstrable impact?

I would take strong exception to categorizing either of

Continued on page 21



Minister Otto Wiesheu

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BAVARIA

AIRPORT FACILITY MEETS ITS TARGETS

Munich Airport's new terminal is meeting all its growth forecasts.

Designing a new airport is a tricky, high-stakes business. The airport has to be large enough to accommodate decades of air travel growth, yet projections of exactly how large that growth will be are notoriously inaccurate. Since each underutilized terminal facility represents an enormous financial loss, simply building big is not the answer.

By taking a multi-stage approach, Munich's airport company built in enough flexibility to adapt to trends in air travel. Made more than a decade and a half ago, the projections of the first terminal's use are still right on the money. As foreseen in the airport's master plan, the company has been proceeding with the planning and constructing of a second terminal.

In 1996, Munich Airport celebrated two record Fridays. On March 29, precisely 70,112 passengers passed through the airport. And on November 22, a total of 857 airplanes landed at and took off from the facility, forwarding 412 tons of air freight in the process. These were single-day records in a record year.

Also last year, 233,000 airplanes transported 15.7 million passengers to and from the airport. These represented increases of 9 percent and 5.5 percent respectively over 1995, the largest gains recorded by any of Germany's major airports. The 1996 figures were 41 percent and 46 percent higher respectively than those of 1991, the last full year in operation of Munich's old airport, which was located in its eastern suburb of Riem.

Second hub

The increases have made Munich number two among Germany's airports after Frankfurt and have kept it on course to meet the projections for its use originally drawn up in the early 1980s, when the final planning of Munich's airport was taking place. The planning forecast the building of two terminal buildings, with the first terminal handling between 17 million and 20 million passengers by the year 2000, necessitating the completion of a second terminal shortly thereafter.

At the current growth rates, Munich will process 19 million passengers in 2000 — just 500,000 more than the mean projection for the year. At the current pace of planning, Munich's second terminal, with a capacity for 15 million passengers a year, will be put into operation two years later. The accuracy of the planning would seem a remarkable feat.

"Nothing remarkable about it," says Willi Hermen, CEO of Flughafen München GmbH (FMG), the airport company. "These projections were extrapolated from our old airport's rate of growth, and built upon the reasonable assumption that our new facility's greater number of connections — especially in the international area and especially those offering direct links — would greatly increase our airport's catchment area."

"This assumption, in turn, was predicated upon Lufthansa's commitment to turn Munich into its second



A record number of travelers — 15.7 million — passed through the airport last year. At current growth rates, the year 2000 will see 17 million to 20 million passengers. The airport will be ready for them.

major hub and base of operations in Germany," Mr. Hermen adds.

Upgrades

This major commitment was realized despite the turbulence caused by the recession prevailing in the world's air industries in the early 1990s. Like its counterparts, Lufthansa responded to the recession by launching a major re-engineering plan.

The heart of it was Lufthansa's upgrading of its Munich-based flight plan, stemming from the carrier's predominance in Munich, and in all of the country's other airports. Although Munich has recorded a 16 percent increase over the last five years in the number of scheduled carriers serving it, Lufthansa still accounts for nearly half of all traffic in Munich.

Since 1993, the number of destinations that Lufthansa

serves from Munich has increased by 36 percent, as has the number of Lufthansa flights per week to and from Munich. In line with Munich's growing role as a major Lufthansa intercontinental hub, the number of the carrier's non-German flights to and from Munich increased 58 percent in 1996 alone.

Easy transit

The accuracy of this step-by-step planning is reflected in FMG's balance books. For the last several years, its ordinary business operations have been profitable, in itself quite an accomplishment for any of the world's airports, most of which are chronic consumers of state subsidies. In 1996, powered by a further sharp rise in revenues and the effects of a one-off asset disposal, the authority reached the break-even point.

Assuming that the current trends will be maintained,

FMG as a whole will break into the black this year, far ahead of schedule.

In view of the large costs of long-term capital — arising from both terminals and from the München Airport Center (see related article) — that FMG is carrying in its current accounts, that would be a major feat.

The new terminal will reflect the changing personality of Munich Airport. Rather than having its check-in operations spread the entire length of the terminal, as is the case in the current terminal, the new structure will feature a central hub, at which passengers will check in — and transfer.

"Some 20 percent of our passengers are in Munich to transfer between flights. That's three times higher than six years ago — and much less than what it will be in 2002 or 2003, when Terminal Two will be completed. The new terminal will be designed to accommodate that change," says Mr. Hermen.

A HIGH-TECH 'LITTLE NORTH AMERICA'

In the Europe-based computer industry, Bavaria is where it's at. The momentum keeps building.

After reading the names of the U.S. high-tech companies located in greater Munich, you might get the mistaken impression that the best of Silicon Valley, Boston's Route 128, Seattle's northern suburbs and Austin's high-tech belt — plus the finest from Canada's hubbling high-tech scene — had moved en masse to Bavaria's "capital area."

In fact, such companies as Microsoft, Compaq, Intel, Netscape, Sun, Texas Instruments, AMD, Corel, Claris, Oracle, Apple and Packard Bell came one by one over the past 15 years. Some 200 are now established in the area.

Digital and NCR were two of the first North American companies to set up shop in Bavaria. Has this snowballing mass of high-tech arrivals achieved a self-perpetuating momentum?

"Very definitely," says Stephen P. Garside, senior executive at Digital Germany. "It would be a brave company that would risk being away from the action in Bavaria, risk not finding the personnel or service providers it requires to grow in Europe."

Says a spokesperson for Microsoft: "We located in Bavaria because Germany's major ICT companies are

based in the Munich area, and because of the availability of personnel. For young people, Munich is one of the most appealing places to work and live in Europe."

Enviably position

North America's foray into Bavaria has made the state the envy of Western Europe. Typically, companies upgrade, step-by-step, their initial one- or two-person offices into large-sized production, distribution, logistics and technical services centers, responsible for Germany, and, in many cases, all of Europe.

In doing so, the new arrivals have pumped further revenues into the economy and created high-skilled jobs in the process. Microsoft Germany, founded in 1982, had sales of more than 1 billion Deutsche marks (\$596.87 million) in 1996. The company now employs 653 people, nearly all of them at its headquarters in the northern Munich suburb of Unterschleißheim.

The inflow from North America and other areas has attained impressive dimensions. In 1995, Bavaria beat out all other German states when it secured 3.7 billion DM in inward investment from non-German companies, an all-time best mark for

Bavaria. During the first six months, foreigners allocated a further 1.7 billion DM in long-term capital to Bavaria.

This was, once more, the number-one performance in Germany. This track record is all the more impressive because most of the investment and jobs have been created without public-sector subsidies and other support.

This is in sharp contrast to other parts of Germany and Europe, in which billions of public sector dollars have created thousands of low-skilled manufacturing jobs of often temporary duration. The realization is spreading that this high-cost job strategy does not engender a lasting transformation of the local economy, reports Handelsblatt, the German business daily, and Bavaria may provide a role model for other European areas looking to create jobs.

Says Otto Wiesheu, Bavaria's minister for economic affairs, transport and technology: "We definitely have a very good track record, one well worthy of emulation. The trick is now to sustain this growth, to use it to overcome the problem areas we also most definitely have."

"A role model is only as good as its latest figures," he adds. "We know that."

TRAVEL INDUSTRY JOBS ARE ON THE RISE

Munich Airport accounts for tens of thousands of jobs, and more opportunities are being created.

The results for February have just been released, and they show that the Freising area has once more recorded the lowest rate of unemployment among Germany's 186 reporting districts. Not coincidentally, Munich airport forms part of the Freising district.

The airport authority, Flughafen München GmbH (FMG), and its resident airlines and service providers employ 16,000 people. FMG estimates that another 30,000 work in the belt of hotels, offices, industrial parks and shopping centers interspersed among the conservation areas surrounding the airport.

The employment figures are set to rise sharply. FMG estimates that each increase of one million in the number of passengers passing

through the airport generates one thousand jobs. Munich Airport expects its passenger totals to double over the next 18 years.

Based on the figures from the first two months of this year, which show double-digit increases in nearly all statistical categories, this prediction may be a bit too conservative.

Commercial space

In addition to creating jobs, the ongoing increase of passengers and freight are having another desirable spillover effect on the surrounding area. After showing signs of weakness in the early 1990s, demand for commercial space in the airport area is now strong, reports Jones Lang Wootton in its January 1997 survey of Munich's real estate market. This

demand is one of the factors carrying the city's real estate market as a whole.

"We're experiencing that demand within the airport itself," says Willi Hermen, managing director of FMG. "Since 1991, there has been a tremendous influx of scheduled service and chartered carriers to Munich. More and more travel agencies are maintaining in-airport outlets. All of these service providers need office space with immediate access to counters. This demand has put in-airport office space at a premium."

"We are all looking forward to the München Airport Center [see related article] — these service providers perhaps most of all," Mr. Hermen notes.

BUSINESS IS MADE EASY AT THE AIRPORT

Continued from page 19

rooms available for such purposes.

"Nor are the advantages of such in-airport meetings hard to understand. Finding your way around a strange city is often difficult and always time-consuming. That is obviated by the holding of events directly at the 'runway's end,' he adds.

In-house providers

Why, then, aren't there similar facilities at every airport?

"First of all, only the world's hubs come into consideration, as only they provide a large number of direct links. If your participants have to repeatedly transfer to get to the event, you're losing the time gained by holding it at the airport," Mr. Hermen points out.

"Second, as one of the youngest of the major hubs, Munich has something its 'elder colleagues' generally do not have — a tract of property right next to our main terminal building. Most major airports' central areas are comprised of a dense and interlocking thicket of structures," he concludes.

MAC will be located right next door to the airport's central service area,

itself set for a 31 million DM expansion and sprucing up. Together, the two areas will form a single indoor "galleria" for strolling, relaxing and shopping.

Another contrast with existing airport meeting areas is that they tend to exist in isolation. They have rooms and refreshments on-site, but many of the requisite services have to be imported by their providers from outside. That costs time.

MAC will have 31,000 square meters (333,680 square feet) of rentable space. Of that, one-third will be occupied by the conference center, restaurants, shops, banks and other services. The other two-thirds will be occupied by service providers, most of which are active in the travel or event-organizing industries.

Services, services

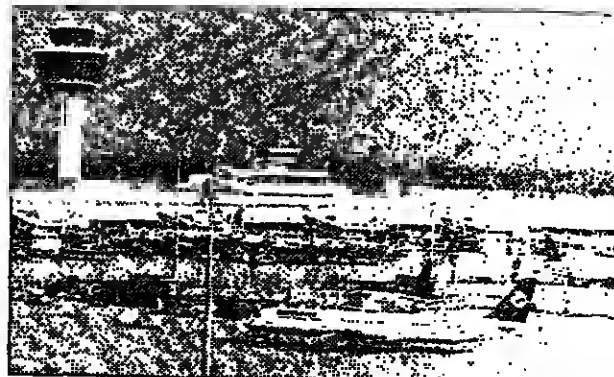
Since MAC's emporia are also targeted for use by in-transit passengers, constructing the facility would seem to represent a change in approach on the part of FMG, which structured the entire airport around getting passengers and their baggage to and from their airplanes in industry-best times.

"If so, it's one partially

dictated by the changing nature of air travel to and from Munich, and the changing nature of Munich airport itself," says Mr. Hermen. "We still place great emphasis on speeding passengers through our facility. Over the years, through the optimizing of our check-in procedures while maintaining our ultra-strict security checks, we've managed to speed up

"Today, we're an international hub. Munich is the European port of entry and departure for a large and increasing number of our passengers."

He notes that passengers starting or concluding their trips have a large and diverse number of pressing needs and interests — guidebooks, clothes, souvenirs. MAC and the airport's central service area will answer



Business travelers — in large or small groups — will be able to assemble at the airport for meetings, with full services provided.

the procedures still further," he adds.

"In the old 'Riem' [site of the old airport] days, most of our passengers were intra-national. The international ones generally arrived or departed via a flight to Frankfurt, London or another international hub," Mr. Hermen says.

those needs. "This rethinking has also been a response to the way our passengers view our airport. Many of them see their airport as a highly enjoyable place, a place to spend time in, a place not to hurry through. The completion of MAC will strengthen this trend."

USEFUL INFORMATION AND ADDRESSES

THE STATE OF BAVARIA

Area: 70,546 square kilometers (27,238 square miles)

Population: 12 million

Prime minister (governor): Edmund Stoiber

Capital city: Munich (population: 1.27 million)

Other major cities:

Nuremberg (pop.: 496,000) - Augsburg (pop.: 262,000) - Würzburg (pop.: 128,000)

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BAVARIA

MUNICH'S LOW-KEY STYLE BELIES HIGH-GEAR PACE

The city has eschewed skyscrapers in favor of a relaxing atmosphere for business.

Appearances can be deceiving. In Munich's case, the deception is deliberate. The statistics show that Munich has a high-powered economy. For example, more books are printed by Munich's 1,000 publishing houses than in any other place in the world except New York. And only London and Tokyo administer more insurance-related assets than Munich.

Leading the insurance business are Allianz AG, Europe's largest insurer, and its associate, Münchener Rückversicherungs-Gesellschaft, the world's leading reinsurer. Add in a dozen other major insurers and reinsurers: Bayerische Vereinsbank and the Bayerische Hypothek- und Wechselbank, two of the country's six largest banks; and another 168 finance houses, and you have one of the largest financial communities in Europe.

Greater Munich also has Germany's largest university and more university-affiliated and independent research institutes than any other city in the country.

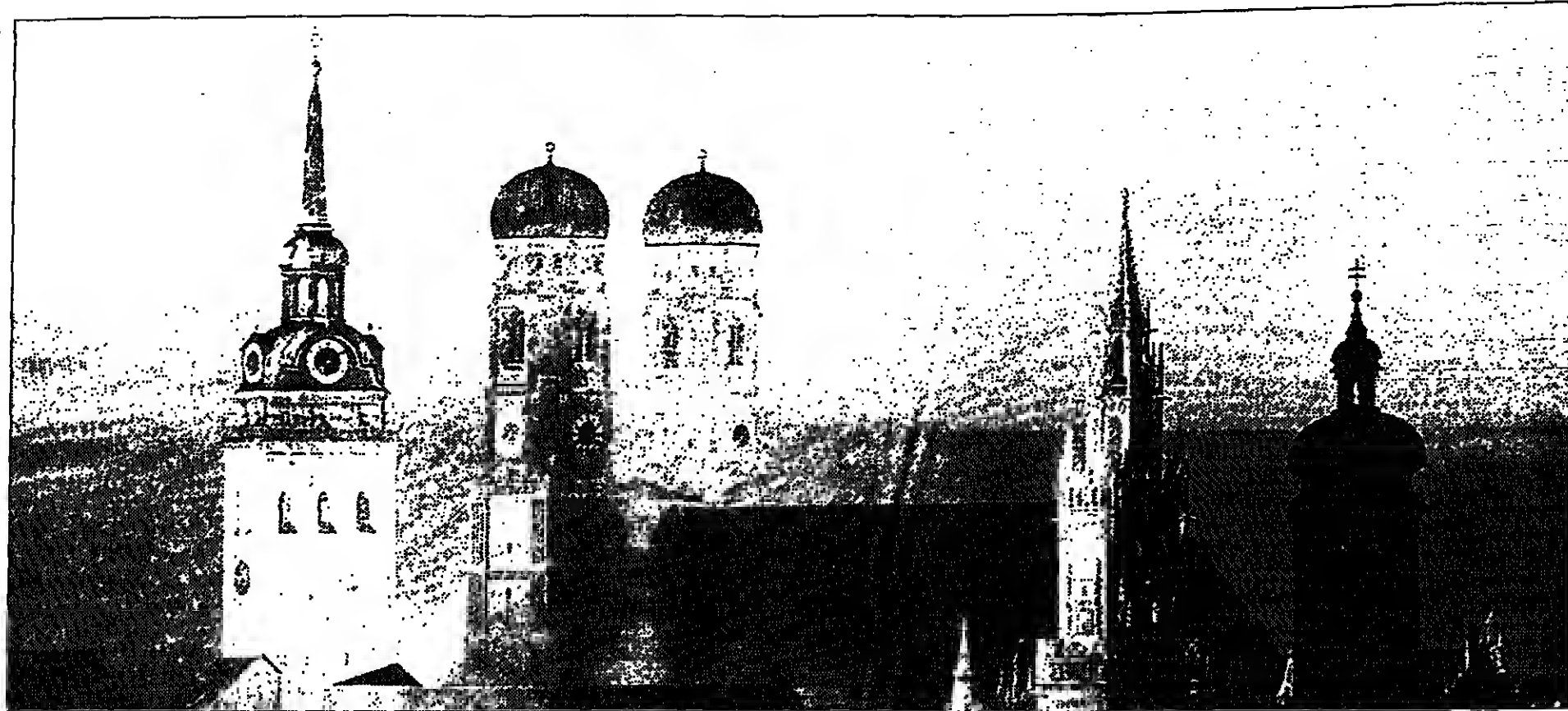
With six national television broadcasters, the city's 6,700 electronic media companies employ more than 100,000 people and had a total turnover of 25 billion Deutsche marks (\$14.92 billion) last year.

Such a city might be expected to have a high-rise central business district, but there are no skyscrapers in downtown Munich and few buildings worthy of the name in the entire metropolitan area. There is not even an identifiable central business district.

Even the university has no campus per se, just many square blocks of four- and five-story buildings from the Baroque to the postmodern eras.

La dolce vita

Guidebooks are not very helpful when it comes to finding the city's business district. They lead visitors to the best of



The towering greatness of Munich is counted not in skyscrapers, but in spires. Instead of creating a standard business district, the city planners have focused on promoting an aesthetic quality of life.

Munich's many boutiques and cafés and are full of descriptions of the charms of Bogenhausen, Haidhausen, the Glockenbach-Viertel, Lehel, Schwabing and Munich's other desirable neighborhoods.

After reading a guidebook, strolling through these neighborhoods and seeing people sipping in the cafés or playing in the English Garden, visitors sometimes get the impression that Munich is a city for dining, shopping and hanging out, but not for working.

"That's the impression you're supposed to come away

with," says Emilio Galli-Zugaro, head of press and public relations at Allianz AG.

"Actually, of course, Munich is a very hard-working city. Among other things, it's Germany's second-largest manufacturing center, and the largest provider of technical services.

"This low-profile approach is very well conceived. It is based on sound observation. People, especially businesspeople, flock to live and work in a city which is perceived as being enjoyable."

Says Christoph Schwartz, information and communication technology expert: "I think this ambience of la dolce vita de Monaco di Baviera does constitute a great business asset, and one that explains the ever-greater number of corporate locations and relocations here.

"All the time, the businesspeople are talking about the advantages of the central location and highly skilled labor, and what they really have in their heads are dancing visions of sitting in the sun at a bistro in the Leopoldstrasse, or skiing down an Alpine slope."

COMMERCE RUBS ELBOWS WITH CULTURE

Bavaria has some of the most celebrated museums in the world.

The wish to see and be seen brought several million businesspeople to Bavaria in 1996. More than 2 million people attended Munich's trade fairs alone. This figure is set to make a major jump in 1998. The city's new 2.5 billion Deutsche mark (\$1.49 billion) trade fairgrounds will be inaugurated in the spring of next year.

Many trade fair attendees come for business purposes and stay on for a few days of tourism, spending an average of 200 DM a day in the process. Thus businesspeople-cum-tourists constitute a very important part of the tourist market.

Important as these pastimes are, however, sports, beer and business-related tourism are not the major inducement to visit Bavaria.

Nine hundred strong

There are 900 museums in Bavaria. A number of them, including Munich's Alte Pinakothek, Neue Pinakothek and Deutsches Museum (Germany's Smithsonian), and Nuremberg's German National Museum, are among the most celebrated in the world. Some 19 million people visit the museums each year.

Small museums with exquisite collections round out the picture. A late 19th-century Italianate villa, Munich's Lenbachhaus, has an unparalleled array of paintings by the Blaue Reiter school of art, whose ranks included Wassily Kandinsky, Franz Marc, Paul Klee and Gabriele Mueher. Without major permanent collections of their own, a number of others, including Munich's Haus der Kuenste and Hypo-Halle, specialize in blockbuster exhibitions.



Snowboarding, hiking, climbing and hang-gliding are some popular activities in the mountains.

SPORTS AND FESTIVALS ARE FUELED BY A YOUNG CROWD

The well-known activities are a small part of what Bavaria has to offer.

With one-quarter of the country's arrivals and overnight stays, Bavaria is number one in Germany for tourism. The state also ranks among Europe's leading travel destinations. The reasons: beer festivals and gardens; romantic routes with romantic villages; romantically lunatic kings; towering, snow-clad peaks; and snow-bedecked Christmas markets. At least that's the popular view — which does not tell the whole story.

Traditional attractions

The 1996 Oktoberfest came very close to setting an all-time attendance record. One warm Saturday did set an all-time record for a single day, with 800,000 people jostling themselves into gridlock on the Theresienwiese fairgrounds. A brilliant fall freezing-cold winter sent half of Europe (or so it seemed) to Nuremberg's Christmas market and to the Zugspitze (Germany's highest mountain), the Kranzberg and Bavaria's other ski slopes.

The lines of cars with foreign license plates making their way down the Romantische Strasse (Route of Romance) from Rothenburg ob der Tauber to Augsburg reached their usual, impressive lengths last summer, as did the queues of people waiting to marvel at the extravagance of King Ludwig's four masterpieces: Neuschwanstein, Linderhof, Herrenchiemsee and Schachenhaus.

Tollwood

The popular view ignores Bavaria's newer attractions and the changing nature of tourism in the state. One major change has been the state's demographics.

Bavaria is the center of youth-oriented tourism and is home to a late 1990s version of a youth-oriented lifestyle.

Although the state doesn't have Berlin's Love Parade — Munich's Union Move is about half the techno-parade's size — it does have Tollwood. Held in early summer in Munich's Olympic Park, it is Germany's largest youth and alternative festival. Tollwood's tents offer headline rock and ethnic music, wacky circus acts and tons of good ethnic foods and arts and crafts. In a good year — "good" meaning that the weather is cooperative — 600,000 to 700,000 people attend Tollwood.

While Tollwood attracts entertainment acts and groups from all over

Europe, the vast majority of its visitors come from Bavaria. With good reason. There are lots of young people in the state.

Population explosion

An ongoing influx of youth from elsewhere in Germany and from the rest of the world has given Bavaria the fastest-growing population among Germany's states. It took 23 years, from 1965 to 1988, for the state's population to increase from 10 million to 11 million, and only eight years to grow by a further million.

The youthfulness of the population, coupled with the state's strong and rising affluence, may explain the profusion of sports activities that involve a large amount of thrills and not inconsiderable costs of equipment.

Newfangled snow sports

Take snowboarding. Half of all people making their way down Bavaria's slopes now do so on snowboards, not on "old-fashioned" skis. Virtually all of the snowboarders are under 30 years old. While their elders are hiking up the same mountains in the summer, most of Bavaria's young are "cutting to the chase."

"The only exciting part about mountains is the actual hand-over-hand climbing. The rest is work. That's why I go to climbing gardens, where there's no trudging, and there are thrills from the first moment on," says Dominic Trujillo, a 16-year-old Munich resident.

There are now hundreds of these gardens with guided climbs in Bavaria, most of them in the Alps, the Franconian hills and Bavaria's many other upland areas.

Of course, older people are also avid patrons of the climbing gardens. And the young often do hike up mountains. Many of them avoid the bane of any mountain climb — the descent, at least the descent by foot — by going airborne.

Lakeside lifestyle

On any sunny day in southern Bavaria, squadrons of paragliders and hang-gliders hover above the wave-capped waters of the state's necklace of Alpine lakes. These "fliers" are riding the thermal drafts produced by the warm southern winds being deflected upward by the lakes' cold waters and the bell of cool air on top of them.

The same winds also make the Starnberger See, Chiemsee, Tegernsee, Schliersee and Bavaria's other upland lakes favorites with sail-surfers, the younger counterparts of the sailors whizzing around the dancing waters.

To the shore

For much of Germany, at least its younger members, the action on the shoreline is what really counts. "Kids in convertibles: Bavaria's lakeside lifestyle" trumpeted a recent article in Der Spiegel.

A hit German pop song recently put it another way: "That's the life... days on the lakes [Bavaria's], evenings in Munich."

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WORLD ROUNDUP

Duncan Is Popular

BASKETBALL Tim Duncan of Wake Forest was a unanimous pick for the All-America college team, becoming the first repeat choice since Shaquille O'Neal five years ago. The other picks were Keith Van Horn of Utah, Ron Mercer of Kentucky, Raef LaFrentz of Kansas and Danny Fortson of Cincinnati. (AP)

NFL Attendance Falls

FOOTBALL NFL attendance dropped by a half-million last season, to 18,648,981 from the record 19,202,757 in 1995. Paul Tagliabue, the commissioner, blamed falling crowds in Houston, whose team is leaving, and Seattle, where the team tried to leave. (AP)

Army Finds Allies

FOOTBALL After more than a century as an independent college football team, Army will join Conference USA in 1998. (AP)

Role Models in All Sports

• Darryl Henley, a former Los Angeles Rams defensive back, was sentenced to 41 years in prison for cocaine trafficking and trying to hire a hitman to kill a judge.
• Lawrence Phillips, a St. Louis Rams running back, was sentenced to 30 days in jail Tuesday for violating his Nebraska probation when he was arrested for drunken driving in California last year. On Monday, Phillips pleaded not guilty to a disorderly conduct charge stemming from a party last month at an Omaha, Nebraska, hotel.
• Roscoe Tanner, a former tennis star, surrendered to authorities to face prosecution for willfully failing to pay child support.
• Bruce McNall, the former Los Angeles Kings owner, surrendered to police and began a 70-month term at the Federal Prison at Lompoc, California, for his role in a scheme to bulk banks, a securities firm and his team of more than \$236 million.
• Spanish soccer authorities on Tuesday ordered Athletic Bilbao to close its ground for two games after Zaragoza goalie Otto Konrad was hit by a firework Sunday. (Reuters)

Wilfred Wooller, 85, Dies

Wilfred Wooller, a Welsh star at both rugby union and cricket, has died at 85. Wooller set up the winning try when Wales beat the New Zealand All Blacks in 1935. In 1949, he captained Glamorgan to the English county cricket championship. He was an England cricket selector and a journalist. (Reuters)



RETURN — Francisco Clavet of Spain defeating to Jim Courier at the Newsweek Champions Cup, 6-4, 4-6, 6-4.



Clarence Seedorf of Real Madrid escaping Racing Santander's Merino Landaluce, left, and Francisco Sanchez Jara in a Spanish league game. Real, the league leaders, won, 2-1. Seedorf scored the winning goal.

Liverpool Beats Newcastle, 4-3, Again

REUTERS
LIVERPOOL — Liverpool beat Newcastle, 4-3, in the English Premier League, with Robbie Fowler scoring the winning goal in injury time. Last year Liverpool also won, 4-3 at Anfield, after

Stan Collymore scored in injury time. On Monday, Liverpool took a 3-0 halftime lead, but Newcastle tied at 3-3, scoring its last two goals in the 87th and 88th minutes. The victory put Liverpool a point behind Manchester United.

Past Glory May Not Save Eintracht
Frankfurt Lost to Real Madrid, Now It Must Beat Debt

International Herald Tribune

World Soccer / ROB HUGHES

IN ALL the hype surrounding modern soccer, "match of a lifetime" is a cliché phrase. According to some television networks such games come along as regularly as city buses. There is always another one right behind.

When a performance really does stand apart, it separates whole generations of fans — those who saw it, those who have seen the film or the video, and those so young they refuse to believe that "old timers" could ever have compared to today's idols.

Eintracht Frankfurt versus Real Madrid in the 1960 European Cup Final stands the test of time. It brought 10 goals, seven of them to the imperious Madrid team. It thrilled 127,621 spectators in the Scottish City of Glasgow. It set standards of movement, of skill and of sportsmanship that will be erased only when fathers stop telling sons how majestic it was.

I recall it not simply to invoke nostalgia but because one of the teams, Eintracht, is struggling to remain a professional club. The Frankfurt team, one of Germany's elite just a couple of seasons ago, has slipped out of the Bundesliga, into the lower reaches of the second division, and into financial dishonor in the eyes of the tax inspectors.

History offers no protection, and perhaps it should not. Yet, when you appreciate what Eintracht Frankfurt has been, what the name means to countless fans around the world, it would send a tremor through the game at large if the club was not to see its 100th anniversary in 1999.

"We have always been first-class," says Rolf Heller, Eintracht's president. "Last season was the first time we were ever relegated, but we think we are at the bottom of the curve. We believe we've stopped falling, and that we will be back in the Bundesliga for our centenary."

Heller will need every ounce of his acumen and a little help from the players

to fulfill that statement. For it is the modern professionals, rather than the ghosts of a great past, who threaten Eintracht's status.

Like many clubs — Real Madrid among them — Frankfurt has tended to spend more than it earned to import big name players. In 1992-3 and 1993-4, Tony Yeboah, its Ghanaian star, was joint top goal scorer in the Bundesliga.

Together with Maurizio Gaudino, he formed a formidable Frankfurt attack. But that soured when Jupp Heynckes, himself once a prolific marksman, made strict coaching demands that Yeboah and Gaudino rebelled against.

Yeboah is a scorer of phenomenal goals, masterpieces of vision and power and intuition. He felt the coach asked too much of his time, his liberty, his habit of conjuring up great goals. The club backed Heynckes, and sold both Yeboah and Gaudino.

Hans-Joachim Otto and Bernd Thate, the club president and treasurer, had to resign last year when tax investigators probed payments to Yeboah. Dragoslav Stepanovic and Bernd Holzenbein, the next team coach and manager, have also been swept away.

Heller picked up the poisoned chalice, aware that relegation had cost Frankfurt 8 million marks in revenue, and that millions more must be raised to prevent Germany's soccer authorities calling time on a debtor club.

With a core support of 15,000 — half the expectation in the Bundesliga — Heller must seek outside investment. His biggest selling point is old times.

That is a hard sell, as Real Madrid can testify. The Madrid giant, the original European power, is itself gambling on spending its way out of \$50 million debts. Right now, its team, despite finding life intolerably regimented under Italian coach Fabio Capello, is nine

points clear in the Spanish league. Re-entry to the European Cup will continue its return to glory and to serious money.

Eintracht watches enviously. Some cruelly say it was ever thus, that on May 18, 1960, at Hampden Park, the Germans were bystanders at the Madrid ball.

I have to be honest. Youth made me a second hand witness to that event. Indeed, as a young apprentice soccer player, I was told to study an 8mm film of the match: the flickering black and white images of the supreme skills of Alfredo di Stefano and Ferenc Puskas.

"Play like that!" our coach said. Over the years, I met a generation of influential trainers whose credo was the same, whose life's work was to pass on the knowledge of the game at its best.

Di Stefano, an Argentine who was arrogant and ultra-fit at 34, strutted the midfield. He controlled the match with his physique and his technique, and he scored three times. Puskas, the portly Hungarian, scored four times.

They were backed by Jose Santamaria, an indomitable Uruguayan defender, by Cano, a direct Brazilian winger, and yes, by Francisco Gento, a left winger of breathtaking pace whose distinction was that he was Spanish by birth.

Real in the 1960s was, like so many dominant teams today, a United Nations of players. Frankfurt was German through and through. It had swept to the final, putting 12 goals past Glasgow Rangers, and, with Alfred Pfaff a fine schemer and Richard Kress a dynamic winger, had the effrontery to score the first goal of that epic final.

Frankfurt played a spirited part in what many remember as soccer's finest hour. For that I hope it survives.

Rob Hughes is on the staff of The Times of London.

White Men (and Women) Can't Sprint?

International Herald Tribune

PARIS — Here is a touchy subject. For the first time in the professional era, the world champion sprinters were predominantly white.

Of the four sprints at last weekend's indoor world championships in Paris, two were won by white men and one by a white woman. Two of the winners were Greek.

When Kevin Little, a white American, won the 200-meter final in 20.40 seconds, a championship record, he was ready for questions about his race — not the race, but his race. "The way I see it, a man who's 200," said Little, who is 28, "it doesn't matter what color. I knew what I was capable of, and hopefully fans and the viewers around the world will see that and they won't see it as a white sprinter winning the gold medal. I'm training to be the fastest, period."

Little's victory in itself was not shocking. Two years ago the world indoor 200 was won in Barcelona by the Geir Moen of Norway, albeit in a relatively slow 20.58 seconds. Little already held bronze medals in the 200 from these championships in 1989 and 1993. His opponents in Paris included Ato Boldon of Trinidad, who had won two sprint bronze medals at last summer's Olympics, but suffered a hamstring strain while trailing in the final quarter last weekend.

It would be an exaggeration to cast the weekend's results as an important racial story. The fact is that most of the world's fastest men — Michael Johnson, Donovan Bailey, Frankie Fredericks and several others, all of them of

Fantage Point / IAN THOMSEN

African descent — weren't in Paris, preferring to save their best performances for the more lucrative outdoor Grand Prix meets and the outdoor World Championships in Athens in August.

The results did, however, emphasize that white sprinters are among the most obvious underdogs in any sport. The last white man to win a global championship 100-meter sprint was Allan Wells of Scotland at the 1980 Olympics in Moscow, which were boycotted by the Americans. Last weekend, when Haralambos Papadimas of Greece became, by one one-hundredth of a second, the first white man to be world champion at 60 meters — which is the indoor equivalent of 100 meters — the photographers and cameramen at the finish line naturally aimed their lenses at the black runners, leaving the 27-year-old Papadimas to celebrate in relative privacy for a few moments until his winning time of 6.50 seconds was announced.

The weekend's results also underlined an apparent revival of Greek athletics, which is said to be receiving more government financing in the hopes of producing good results for the World Championships later this summer and, potentially, at the 2004 Summer Olympics, for which Athens is one of the five final bidders.

"We have a lot of really good athletes in the high jump, the long jump, everywhere," said Ekaterini Kofia of Greece after winning the women's 200 from the outside lane by, again, one one-hundredth of a second.

Though statisticians have noticed Greek athletes improving in recent years, neither Kofia nor Papadimas were expecting gold medals. Last year their compatriot, Ekaterini Thanou, became Greece's first European indoor champion when she won the 60 meters.

Unfortunately, an awkward drug-testing controversy may be developing around the Greeks. According to a report filed by a drug-testing official for the International Amateur Athletic Federation, a Greek coach refused to allow several Greek athletes to be tested for drugs last month in Dortmund, Germany. The Greeks have said that the official didn't identify himself properly; the official reported that he was never given the chance before the athletes left the scene.

According to a Greek coach, Christos Tsekos, the athletes were tested later. He declined to answer other questions about it.

The case is to be evaluated by the IAAF next week in Turin.



TALL ORDER — Courtney Walsh, the West Indies fast bowler, being congratulated by teammates after dismissing Navjot Sidhu of India on the last day of the first test in Jamaica. The home team's hopes of bowling out India were dashed by rain, and the match was drawn.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

MONDAY'S GAMES

Team	Score	Team	Score
Cincinnati	5	New York Mets	5
Montreal	4	Los Angeles	3
Houston	3	St. Louis	1
Florida	4	Philadelphia	4
Chicago White Sox	7	Pittsburgh	4
Baltimore	4	Atlanta	5
San Diego	4	San Francisco	3
Colorado	2	San Francisco	1
Colorado	2	San Francisco	1

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

Team	W	L	T	Pts
Philadelphia	35	19	12	82
New York	29	23	15	72
Pittsburgh	31	28	7	69
Washington	27	32	7	61
Los Angeles	26	33	7	59

WESTERN CONFERENCE

Team	W	L	T	Pts
Edmonton	34	21	7	75
Calgary	31	24	7	69
Vancouver	28	27	7	63
San Jose	25	30	7	57
Los Angeles	23	32	7	53

MONDAY'S RESULTS

Team	Score	Team	Score
Philadelphia	5	New York	3
Pittsburgh	4	Washington	3
Washington	3	Los Angeles	2
Los Angeles	2	San Jose	1
San Jose	1	Los Angeles	0

MONDAY'S RESULTS

Team	Score	Team	Score
Golden State	24	San Jose	18
L.A. Clippers	21	San Jose	14
C.S. Spartans	17	San Jose	11
Golden State	15	San Jose	10
Golden State	14	San Jose	10

CRICKET

INDIA TOUR

WEST INDIES VS INDIA

Team	Score	Team	Score
West Indies	427	India	427
West Indies	427	India	427

JAMAICA VS INDIA

Team	Score	Team	Score
Jamaica	242	India	242
Jamaica	242	India	242

JAMAICA VS INDIA

Team	Score	Team	Score
Jamaica	242	India	242
Jamaica	242	India	242

GOLF

JAMAICA VS INDIA

Team	Score	Team	Score
Jamaica	242	India	242
Jamaica	242	India	242

NBA STANDINGS

EASTERN CONFERENCE

Team	W	L	Pct
New York	47	16	.744
Orlando	32	28	.533
Washington	28	33	.459
New Jersey	19	43	.295
Charlotte	16	46	.258

CENTRAL DIVISION

Team	W	L	Pct
Chicago	33	8	.805
Atlanta	42	16	.724
Indiana	40	22	.645
Charlotte	37	25	.597
Washington	29	33	.469

WESTERN CONFERENCE

Team	W	L	Pct
Utah	45	16	.738
Portland	42	20	.680
San Antonio	35	28	.556
Phoenix	34	29	.541
Golden State	24	37	.397

MONDAY'S RESULTS

Team	Score	Team	Score
Utah	104	Portland	97
Portland	97	San Antonio	97
San Antonio	97	Phoenix	97
Phoenix	97	Golden State	97

SOCCER

WORLDWIDE LEAGUE

Team	Score	Team	Score
Liverpool	4	Newcastle	3
Liverpool	4	Newcastle	3

EUROPEAN FIRST DIVISION

Team	Score	Team	Score
Real Madrid	2	Racing Santander	1
Real Madrid	2	Racing Santander	1

EUROPEAN FIRST DIVISION

Team	Score	Team	Score
Real Madrid	2	Racing Santander	1
Real Madrid	2	Racing Santander	1

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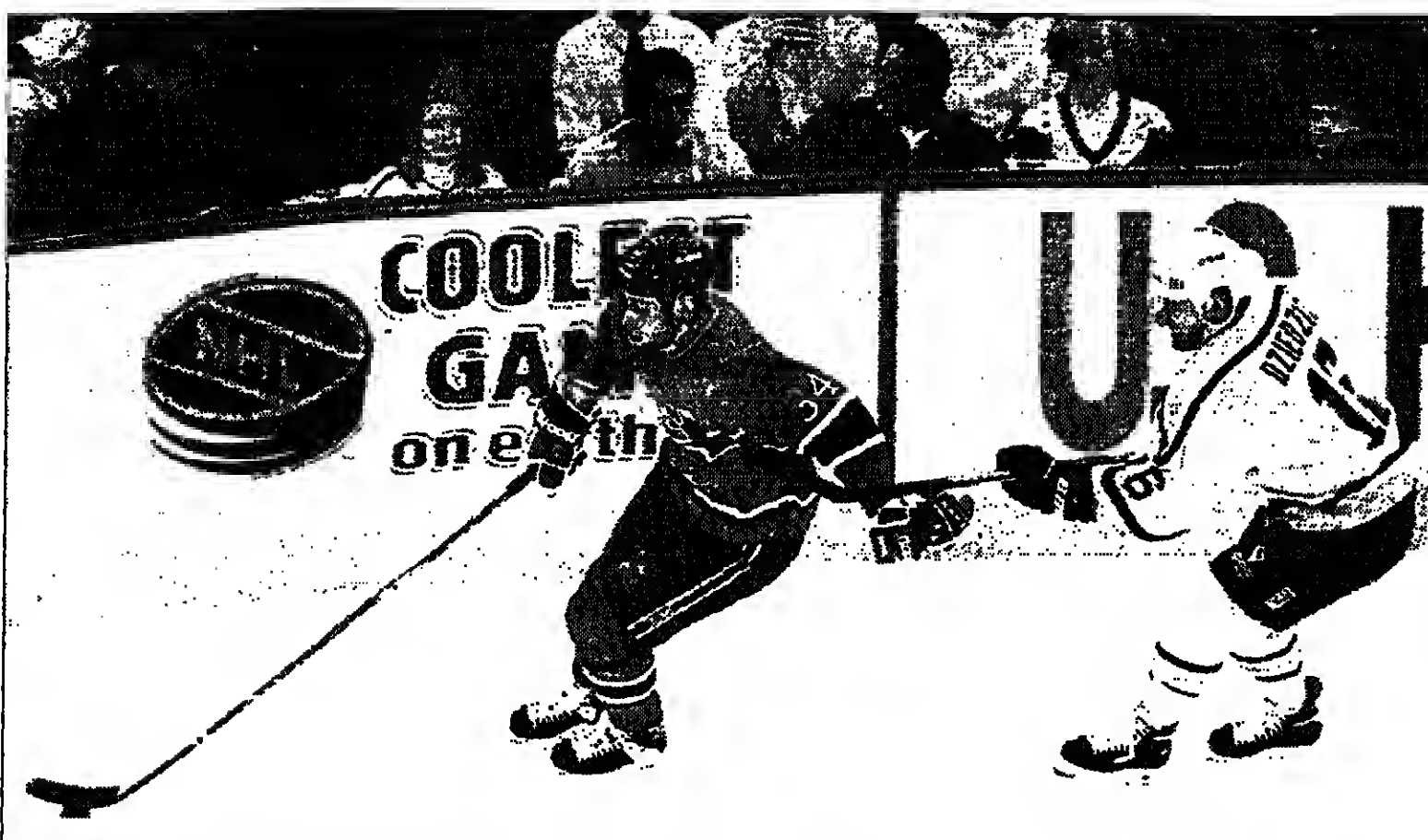
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Gophers Rise To the Heights

By Thomas George
New York Times Service



Joe Dziedzic of Pittsburgh, right, trying to slow down Peter Popovic of Montreal during the first period of their eventual 2-2 tie.

The Associated Press

"I think there was kind of a prevailing attitude to let Doug do it," said Mike Murphy, the Toronto coach. Other players now "realize they have to do it," he said. "Doug isn't

Richer capped the rally with his 18th goal at 18:08

suffered his 30th loss of the season.

and Jim Cummins scored for the Blackhawks, which have

The Associated Press

coach, Bill Fitch. "Our defense ac-

third quarter. But ing."

...and just hope it will

who extended their unbeaten streak to 11 games.

CALVIN AND HOBBS

